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Kyrgyzstan Leader on CIS Border Issues

LD2711194094 Moscow Russian Television Network in Russian 1700 GMT 27 Nov 94

[Report by correspondent A. Sladkov, including recording of remarks by Kyrgyzstan President Askar Akayev and Russian Federal Border Service Head Andrey Nikolayev—from the "Vesti" newscast]

[FBIS Translated Text] In Andrey Nikolayev's view, a single economic space with a common customs zone and transparent internal borders, toward which we aspire so much, is simply impossible. Many Commonwealth leaders agree with him.

[Akayev] Logic itself requires the CIS common external border to be without gaps or windows.

[Nikolayev] We should simply remember that we already had all this once and now we have to revive this at a totally different level.

[Sladkov] Only two gaps—Azerbaijan's and Moldova's external borders—remain in the CIS common frontier. According to Askar Akayev, the powers to protect the common border delegated by all CIS countries should be logically given to Russian border troops since they are the best trained and the most powerful in the Commonwealth.

The Bishkek meeting was yet another step toward integrating CIS states. So, taking the border issue as an example, problems of rapprochement can be solved in the economic, political, military, and other spheres.

ITAR-TASS Carries Press Review for 26 Nov

LD2611104394 Moscow ITAR-TASS in English 0610 GMT 26 Nov 94

["Press Review"—ITAR-TASS headline]

[FBIS Transcribed Text] Moscow 26 Nov (ITAR-TASS)—Today's newspapers of the Russian capital concentrate on the start of the debate of the government draft of a Russian federal budget for the next year by the State Duma (lower house of the Russian parliament).

"If irreconcilable positions of the sides prevail and the legislature does not find a common language with the government on the 1995 budget, such a situation may again raise the question on a no-confidence vote in the government," the ROSSIYSKIYE VESTI newspaper writes.

"If the State Duma votes down the government, the president is to take a decision on the government's resignation within seven days or on a dissolution of the State Duma and appointment of new ministers." In the newspaper's opinion, the president will "more likely decide on disbanding the Duma."

At the same time, the NEZAVISIMAYA GAZETA newspaper notes that the first budget hearing by the State Duma on Friday "showed that the government draft budget does not satisfy absolutely anybody". However, "deputies have not decided as yet whether it is worthwhile irking the president".

The newspaper appraises "the present correlation of forces at the Russian political olympus" as "a very precarious balance between the legislative and executive arms of government, enabling some analysts to express guarded optimism concerning further political developments in Russia".

NEZAVISIMAYA GAZETA quotes member of the State Duma Anatoliy Lukyanov, former speaker of the Soviet Union parliament as saying that Boris Yeltsin is not ready to disband the lower house, since the composition of a new Duma will evidently be in greater opposition to executive power, and it is impossible to rule the country all the time with emergency measures.

The newspaper adds that "the president probably starts to understand this".

In turn, the KOMSOMOLSKAYA PRAVDA newspaper reports that state Duma Speaker Ivan Rybkin called "rediculous and thoughtless" statements by leaders of some parliamentary groups on a possible dissolution of the Duma by a presidential decree.

In the speaker's opinion, the Duma has a balance of forces adequate to the sentiments of society. It is necessary to look for an accord with the president and the government rather than to upset this balance. This statement by Rybkin is also quoted by ROSSIYSKIYE VESTI.

"The express-analysis" of this week's developments published by the IZVESTIYA daily deals with the election campaign which has actually started in the country. The newspaper calls attention to clear, in its opinion, "political activity of federal executive power on the evident threshold of elections".

IZVESTIYA claims that "the president's position lacks clarity". "will a Yeltsin-politician gain a second lease on life or is his activity short-lived?" asks the daily, noting that all political forces are interested in the earliest reply to this question.

Another article in IZVESTIYA is devoted to a presidential decree to be issued late in November on repealing state regulation on prices for oil and petropoducts. The newspaper holds that this move will not trigger a sharp price hike for oil and other goods.

The opposition PRAVDA newspaper examines the results of elections to the territorial legislative assembly of the Krasnodar territory (southern Russia) where all "democratic" parties and movements suffered a debacle.

The newspaper calls this fact "a political sensation of the week". "The conclusion is clear: the Krasnodar territory does not accept reforms which have brought about

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impoverishment of people and degradation of the economy. It rejects the anti-Slavic course of the Kremlin," the daily stresses.

The same newspaper runs an article by American Journalist Carla Stare entitled "Death Squadrons in Russia?" which gives a version explaining the notorious assassination of journalist Dmitriy Kholodov.

She claims that Kholodov found out a special unit in the Moscow region, training professional assassins. The journalist compares Kholodov's murder with actions by "death squadrons" in Latin America, in particular with the assassination of Archbishop Romero in El Salvador.

PRAVDA also carries an article about an emergence in Russia of a left-wing underground group resembling "Red Brigades" in the West. Its aim is terror against "new Russians pillaging Russia".

The KRASNAYA ZVEZDA newspaper notes that, despite the Russian president's instructions, the Ministries of Economics and Finance do not take measures to finance housing construction for servicemen.

Commenting on the parliamentary hearings "facts of corruption in the West Army group", the same newspaper believes that the hearings ended with an "unquestionable" victory of the army.

NEZAVISIMAYA GAZETA outlines a statement by over 20 writers, journalists and public figures, including prominent authors Vassili Belov and Valentin Rasputin, protesting "illegal suspension of the publication of the opposition newspaper ZAVTRA.

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U.S. View of Measures for Peace in Balkans Not Shared

LD2511184394 Moscow INTERFAX in English 1711 GMT 25 Nov 94

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Officials in the Russian Foreign Ministry believe that the latest military activities of the Bosnian Serbs were easy to explain because Serbs are proud people. The officials also said that the U.S. support turned the heads of Moslems.

One diplomat said that the international community was dragged into a biased policy in Bosnia.

He said that Russia did not share the U.S. view that tough measures could bring about peace in the Balkans.

The diplomat said that Moscow had numerous questions over the latest NATO actions in Bosnia, notably the proposal that the status of the Moslem enclave in Bihac be changed from a safe area to an exclusion zone, thus enabling the NATO air force to destroy any heavy weapons inside the zone.

The diplomat said that such issues had to be negotiated in the contact group and the UN Security Council while the North Atlantic Alliance had to carry out operations in Bosnia only with the consent and under the supervision of the UN Security Council. Otherwise, he explained, NATO may decide that anything is allowed and act on its own. The diplomat emphasized that such a policy was very dangerous and could not bring any good.

Churkin Blames U.S. Policy For Extending War in Bosnia

AU2511141994 Hamburg DIE WOCHE in German 25 Nov 94 p 25

[Interview with Vitaliy Churkin, Russia's former deputy foreign minister and mediator in the Balkans and current ambassador to Belgium, by Andrzej Rybak and Ravil Saripov; place and date not given: "'A Real Row'"]

[FBIS Translated Text] [DIE WOCHE] The United States has unilaterally stopped its monitoring of the arms embargo in the Mediterranean. Is this not a violation of UN resolutions?

[Churkin] U.S. ships did not only monitor the arms embargo against the Muslims, but also sanctions against the remaining Yugoslavia. But the embargo has never been observed completely. Although the United States has not legally spoken out for lifting the embargo, it has given an impulse that is being severely criticized by its NATO allies.

[DIE WOCHE] Can this decision influence the war in Bosnia?

[Churkin] Of course, it is a clear signal to the warring parties that they do not have to agree on a political solution, that they can look forward to arms supplies, that the war will go on.

[DIE WOCHE] The U.S. is said to have military advisers in Bosnia. Does the Contact Group—United States, Russia, France, Germany, and Britain—still have a role to play?

[Churkin] Brussels is currently being rocked by a huge U.S.- European scandal. The Americans admit that the Congress wants to push through assistance to the Muslims and that the Administration has worked out various options. But they categorically deny having taken any steps yet. If the suspicion are confirmed, this could jeopardize the unity of NATO. This would also prevent any effective action by the Contact Group.

[DIE WOCHE] Britain has criticized the U.S. policy on Bosnia. Will Moscow and London now move closer together on the Balkans?

[Churkin] It is not only the British who criticize Washington, but also the French. There is a real row going on. In this changing situation, the Europeans (and for me this includes Russia) will have to think about the steps they take. They will have to realize that the United States' policy in the Balkans is mainly dictated by domestic-policy struggles, not by European interests. But the war is taking place in Europe! Russian foreign policy should not concentrate on the contrasts between the United States and Europe, but try to get on with the work of the Contact Group.

[DIE WOCHE] In August, the Bosnian Serbs rejected the Contact Group's peace plan. Is Russia planning to present a new plan?

[Churkin] On no account should the Contact Group present a new plan. It took us a long time to work out the old peace plan, and we were sure that the compromise was acceptable to all parties. The Bosnia map presented by the Contact Group was only a basis for stopping the war and getting the parties to exchange certain territories at the negotiating table.

[DIE WOCHE] Is this the way to end the war?

[Churkin] Yes. Getting them to accept the peace plan is the only way. Everybody knows that an exchange of territories has to take place. The warring parties are like boxers who return to their corners, come back, and start hitting each other again.

[DIE WOCHE] Are the NATO and UN operations extending the war?

[Churkin] There is a nice theory that says: It would have been better not to intervene on the Balkans at all. Let them fight each other and clarify among themselves who is right and who is to blame. Rubbish!

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[DIE WOCHE] Does that mean you do not think that the blue helmets should be sent home and the Balkans nations left to their own devices?

[Churkin] At the present moment, this would not be the best option. Only if the conflict threatens to get completely out of hand—for instance, if the arms embargo is lifted—will the blue helmets have to be withdrawn. But that would leave us with a humanitarian catastrophe in Bosnia.

[DIE WOCHE] What does your scenario for Bosnia look like?

[Churkin] Russian diplomacy has outlined a course for settling the conflict. Following our foreign minister's visit to Belgrade, Serbia accepted the Contact Group's peace plan and closed its borders with Bosnia. There were only two more things we would have had to do. First: Belgrade should have been shown that its constructive policy is rewarded by lifting the sanctions. Second: The cease-fire in Bosnia would have had to be extended at any rate. But the Bosnian Government started its offensive, and the United States changed its course. One cannot blame the Bosnian Government, because it only wanted to reconquer the territories lost in the war. But such steps do not encourage a political solution to the conflict.

[DIE WOCHE] What does?

[Churkin] At the end of October, the Contact Group had a meeting in New York. The Russian side proposed to enforce a 'peaceful winter' in Bosnia. The Muslims would be the ones profiting most from that. For, owing to their isolation, living conditions of the Serbs in Bosnia have become very bad. Pale frequently has no electricity, no telephones, and constant problems with supplies. People would get fed up with that very quickly. They would say: Our leaders have got us into this. This would deprive extremists of their basis. But when the international community fights the Serbs, extremists turn into national heroes. That is the logic of war.

Kozyrev Urges 'Balanced View' on Yugoslavia

MM2511160994 Moscow IZVESTIYA in Russian 26 Nov 94 p 3

[Interview with Russian Foreign Minister Kozyrev by Leonid Mlechin; place and date not given: "Moscow Will Withdraw Soldiers from Bosnia if They Start To Come Under Fire"—first two paragraphs are introduction]

[FBIS Translated Text] The three bombing raids on Serbian positions by NATO aircraft in the past week have borne no fruit; the air attacks have not even frightened the Serbs. Serbian troops, provoked by the Bosnian Muslims' attacks, have moved onto the counteroffensive and successfully stormed Bihac—a city in northwestern Bosnia. Bihac is in a UN protection zone, but the UN troops can do nothing. Fighting has resumed in Sarajevo. Buildings alongside the positions held by the UN troops' Ukrainian battalion are being bombarded. Several hundred "blue helmets," including Russian soldiers, have been cut off by the Serbs in the vicinity of Sarajevo. The disagreements within NATO have intensified: The United States is demanding vigorous actions even without a UN mandate; the Europeans are reluctant to get embroiled in a real war.

The Russian foreign minister has left for Bonn and Belgrade to discuss the situation in Bosnia with FRG Foreign Minister Klaus Kinkel and Serbian President Slobodan Milosevic. The day before his departure Andrey Kozyrev gave an interview to IZVESTIYA.

[Mlechin] What will happen if UN soldiers, including our soldiers, start to come under fire as a result of the NATO bombing of Serbian positions in Bosnia?

[Kozyrev] We will simply withdraw them. But we hope that it will not come to that.

[Mlechin] A public opinion poll has shown that the overwhelming majority of Muscovites are opposed to the NATO attacks in Bosnia. It looks as though you are going against the mood in society.

[Kozyrev] Sometimes you have to go against public opinion, because society does not always have a correct idea of what is going on in Yugoslavia. Look at our European partners: They are totally dependent on the public mood and therefore espouse a one-sided, anti-Serb position. We take a balanced view.

[Mlechin] One gets the feeling that the great powers, which are attempting to stop the bloodshed in Bosnia, just do not know what to do. Nothing is working. Having abated a little the conflict is flaring up with renewed vigor. Why has it proved impossible to stop the war?

[Kozyrev] Because there are conflicts that cannot be resolved rapidly. A classic example being the Near East, where the conflict has continued for 50 years, there have been several wars, and even now the bloodshed is still going on. The peace process there has taken tremendous efforts. Likewise, it will take a long time to resolve the Bosnian problem.

[Mlechin] What mistakes has Russian diplomacy made on the Yugoslav question?

[Kozyrev] We have of course made some mistakes, that is inevitable. But in retrospect I can say for sure that we have not made strategic mistakes. What is most important is that we have not given in to pressure from certain political forces and have not taken a blatantly pro-Serb and anti-Croat line. I believe that, when the war comes to an end, the Slav peoples of the former Yugoslavia—and they are virtually all Slavs there—will appreciate the fact that Russia did not turn against any people at this difficult hour.

[Mlechin] Your deputy Vitaliy Churkin, who tackled the problems of the former Yugoslavia for a long time, has

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gone off to be ambassador in Brussels. His successor Aleksandr Zotov was previously under Churkin; he is not a deputy minister nor even a specialist on the Balkans, moreover, but an Arabist, who spent a long time working as ambassador to Syria. What dictated your choice?

[Kozyrev] Vitaliy Churkin, who was in my year at the Institute of International Relations, was not a Balkans specialist either. Aleksandr Zotov's experience of working in the Near East will prove very useful in the Balkans. As for rank, both Churkin and Zotov are the Russian president's special envoys. We must evidently renounce altogether the practice of making deputy ministers into presidential envoys.

[Mlechin] The front line in Yugoslavia has also cut through the well-ordered ranks of Russian diplomats. As far as I am aware the embassies in Belgrade and Zagreb take diametrically opposed views of the causes of the conflict and of the reasons why the war is continuing. These ambassadorial ciphers meet on your desk; which embassy's opinion are you more inclined to heed?

[Kozyrev] That is something of an exaggeration. All embassies espouse a single policy—that of the president. Needless to say, the embassy in Croatia sympathizes with Croatia, while the embassy in Yugoslavia sympathizes with Yugoslavia, Serbia. It is the embassies' duty to establish good relations with their host countries, but naturally they must not automatically support and approve any policy pursued by that country's government. It is our duty—here at the ministry—to analyze the flow of information and correctly assess it.

[Mlechin] "Russian volunteers in Bosnia are saving Russia's honor." How do you regard that claim? Incidentally, do you know who is funding the sending of Russian volunteers to Bosnia, and by what channels? How many of these volunteers are there?

[Kozyrev] If you are talking about the young people who have gone there to fight, I feel sorry for them. They have been sent to die, they have been deceived, they have been given a false idea of how a Russian patriot should behave. But, needless to say, there are people among those who have been sent to Bosnia to fight who just want to kill people, for whom that is a profession. They are criminals; mercenaries are banned by Russia's laws.

The real volunteers are the soldiers and officers serving in the UN peacekeeping troops in Bosnia.

Critical of U.S. Move on Bosnian Embargo

LD2511141294 Moscow ITAR-TASS World Service in Russian 1339 GMT 25 94

[By ITAR-TASS correspondent Andrey Serov]

[FBIS Translated Text] Moscow, 25 November—Andrey Kozyrev, foreign minister of the Russian Federation, has described the recent decision by the U.S. Congress to unilaterally lift the enforcement of the embargo on arms supplies to Bosnia as a challenge to international law. Speaking today at the first sitting of the Russian Federation national committee for the international law decade, he noted that not even in the years of "the Cold War" had the UN Charter been violated so flagrantly.

"Even in the most critical moments of 'the Cold War' the international community never had to face such an open and flagrant infringement of the basics of international law, 'the treaty of treaties', that is, the UN Charter," said the head of the Russian Foreign Ministry. We now have a unique situation, he said, when the challenge to international law has been made not just at the level of individual nationalist groups, but also at the state level. All the more amazing, A. Kozyrev noted, that this decision was taken "openly and in writing" by the Congress of the United States, which is in many ways a progressive state called upon to be one of the guarantors of compliance with the standards of international law.

Sends Message to Butrus-Ghali on NATO Role

LD2611140894 Moscow ITAR-TASS World Service in Russian 1322 GMT 26 Nov 94

[By unidentified ITAR-TASS diplomatic correspondent]

[FBIS Translated Text] Moscow, 26 Nov—NATO's operations in Bosnia should be restricted to providing support for UN forces fulfilling their mandate, Andrey Kozyrev said in a message to UN Secretary General Butrus Butrus-Ghali, the text of which ITAR-TASS received today.

According to the Russian foreign minister, a number of Security Council resolutions "are being implemented in a way which gives cause for accusations of partiality." "In connection with this, I consider it necessary to stress that the UN's role in the former Yugoslavia lies not in 'forcing' the sides into peace and not in waging war, but in providing comprehensive support for a peaceful political settlement," Andrey Kozyrev says.

He called for the "boundaries of NATO's actions" to be restricted to supporting the contingent of "blue helmets" in the fulfillment of their mandate and pointed out that "any actions of force should be carried out on the basis of the principles of proportionality, impartiality, and timeliness." "It is important that the actions of the NATO air force in Croatia and Bosnia should not be incommensurate to the violations or excessive with regard to the situation and should not lead to a further growth in confrontation."

The head of the Foreign Ministry of the Russian Federation warned against making de facto changes to the mandate of the UN forces and against being drawn into combat actions as this could lead only to further escalation of the conflict. In his opinion the report which is being prepared by Butrus-Ghali for the UN Security Council should particularly cover "the security of the peace-keeping contingents now and in the future." He

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calls for the presentation of this report to be speeded up as Russia will need it in order to decide whether the contingent of Russian troops will continue to participate in the operation of the UN forces.

Further on Kozyrev Letter to Butrus-Ghali

LD2611153494 Moscow INTERFAX in English 1424 GMT 26 Nov 94

[FBIS Transcribed Text] Russian Foreign Minister Andrey Kozyrev said there was a danger that the U.N. Protection Force in former Yugoslavia (UNPROFOR) would overstep its tasks and get drawn into hostilities in Bosnia.

In a letter to U.N. Secretary General Butrus Butrus-Ghali sent on Friday [25 November] , Kozyrev says that one nearly has the impression that UNPROFOR is "supporting one of the parties to the conflict."

In some countries, "statements are being made at a high political level the aim of which is to justify the Bosnian Muslims, who were the first to start hostilities, and increasingly insistent calls are coming from one of the safe areas for retaliatory strikes against the Serbs," says the letter, a copy of which Interfax obtained on Saturday.

Defense of safe areas must not make UNPROFOR a faction in the conflict, Kozyrev says.

As for armed action by NATO, that must be confined to what is necessary to ensure that UNPROFOR carries out its tasks, he says.

He asks for speeding up a report to the Security Council on steps to stabilize the situation within and around the Bihac safe area and implement the entire safe area program.

One of the key points in the report should be "the safety of peacekeeping contingents today and in future," the minister says.

Foreign Minister Kozyrev Arrives in Bonn for Talks

LD2511203694 Moscow ITAR-TASS World Service in Russian 1911 GMT 25 Nov 94

[By ITAR-TASS special correspondents Yuriy Kozlov and Gennadiy Kulbitskiy]

[FBIS Translated Text] Bonn, 25 Nov—The Russian Foreign Minister Andrey Kozyrev arrived in Bonn today.

On Saturday [26 November], Kozyrev will have talks here with the FRG Foreign Minister Klaus Kinkel. During the talks topical matters regarding international developments and relations between Russia and Germany will be discussed. One of the main issues to be discussed will be the situation in Bosnia-Herzegovina in light of the coming meeting of the Contact Group, which will be held in Brussels on 2 December this year. Another topic for their talks will be preparations for the meeting of CSCE heads of state and government in Budapest on 5 and 6 December this year.

Warns Against Escalation of War in Bosnia

AU2611151994 Munich ARD Television Network in German 2130 GMT 25 Nov 94

["Exclusive" interview with Andrey Kozyrev, Russian foreign minister, by Gerd Pelletier in Bonn on 25 November; in English with superimposed German translation—recorded]

[FBIS Translated Text] [Pelletier] Mr. Kozyrev, how do you assess the violation of the UN safe zone in Bihac by the Bosnian Serbs?

[Kozyrev] Well, we have to be realistic enough to see that the core of the matter is the rejection of the Geneva peace plan by the Bosnian Serbs. Unfortunately, the Bosnian Government, the Bosnian Muslims, were the first to violate the accords and started it all. Now we have a tremendous escalation of all military operations, because there was of course a response from the Bosnian Serbs, and they probably overstepped all bounds.

[Pelletier] Would or could there be something that the Russian Government is doing or would have done to prevent this Bosnian catastrophe?

[Kozyrev] My next stop will be Belgrade. First, we will try to persuade Milosevic and Belgrade to adhere strictly to the obligations under the peace plan. Second, they must use whatever influence they have to persuade or force the Bosnian Serbs also to say yes to the peace plan. This is the centerpiece of the matter.

[Pelletier] According to the latest news today, NATO or some of its members such as France or Britain are seriously making plans to withdraw all of their blue helmet contingents from Bosnia. Would the Russian contingents of this protective force then also be withdrawn, if nothing else is possible?

[Kozyrev] In my view, the withdrawal would be an as extremely unusual measure as the lifting of the arms embargo or perhaps the excessive use of NATO air power. In my view, all this belongs to the military scenario. If we see that politically and diplomatically we are absolutely helpless and only military options are left, we will only encourage the warring parties to violate the cease-fire. Then it does not matter whether we lift the arms embargo or carry out large-scale air raids against one of the two sides. These are doomsday scenarios. Escalating military operations do not lead us anywhere. That is what Bihac has shown us. It only leads to a tremendous loss of life.

Says Military Path 'Will Achieve Nothing'

LD2611173194 Moscow NTV in Russian 1600 GMT 26 Nov 94

[Report by Vladimir Kondratyev on Foreign Minister Andrey Kozyrev's visit to Bonn]

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[FBIS Translated Excerpt] The Federal Republic of Germany, which is more sympathetic toward the Muslims and the Croats, is somewhat ambivalent toward Russia, which traditionally supports the Serbs. [passage omitted]

[Begin recording] [Kondratyev] What do you think of Clinton's decision to send amphibious ships with U.S. landing forces to the Adriatic coast?

[Kozyrev] One has the impression that much money is being spent on sending warships and so on. We proceed from the pledges and official statements which are now being made in Washington that the aim of these ships is to be there in the event, for example, of NATO airplanes being shot at in Bosnia, rather that getting involved in the conflict. This all shows however that the military path—of building up armaments in that region—leads to deadlock. It will achieve nothing.

[Kondratyev] Are you in favor of resuming negotiations on the old terms?

[Kozyrev] Yes, we believe that the map should not be changed. The other thing is that after the map has been signed, or after the Bosnian Serbs have said yes, they have the right to hold talks and agree some changes or other on the basis of consensus. [end recording] [passage omitted]

Arrives in Belgrade, Lauds Milosevic Role

LD2611212894 Moscow ITAR-TASS World Service in Russian 2030 GMT 26 Nov 94

[By ITAR-TASS correspondents Ivan Ivanov, Yuriy Kozlov, and Aleksandr Kondrashov]

[FBIS Translated Text] Belgrade, 26 Nov—The matter of a Bosnian settlement and steps toward the easing and lifting of sanctions against Yugoslavia—these, according to Russian Foreign Minister Andrey Kozyrev, were the issues he was going to discuss today with Serbian President Slobodan Milosevic.

The head of the Russian Foreign Ministry, who arrived in Belgrade for a brief visit late this evening, told ITAR-TASS correspondents that at present "Yugoslavia and President Milosevic are playing a key part in the peaceful settlement of the situation in the former FRY." "We very much appreciate the courage and political foresight of President Milosevic. Despite the present exacerbation of the crisis, when many, including even some people in NATO, have let their nerves get the better of them, here in Belgrade it did not happen. Slobodan Milosevic firmly and consistently continues to advocate a peaceful settlement in all areas. Both in the Bosnian crisis and in the talks between Knin and Zagreb he is playing a very important, positive role," the minister said.

A. Kozyrev stressed that "in this S. Milosevic has the full support of the Russian president and the entire Russian leadership."

Asked about the contents of the so-called "Plan B," the plan for a Bosnian settlement currently being amended, A. Kozyrev said that at present only some details of it are in place and that they will be discussed at the next meeting of the "Contact Group."

After making a statement for journalists at the Batajnica military airport, where the minister's plane had landed, A. Kozyrev boarded a helicopter and flew to the Serbian president's country residence. There he is to hold talks behind closed doors with S. Milosevic and possibly with representatives of the Bosnian and Krajina Serbs. Whether such a meeting goes ahead depends on our hosts, the minister added.

Praises Milosevic's 'Restraining Influence'

LD2711203394 Moscow ITAR-TASS World Service in Russian 1630 GMT 27 Nov 94

[FBIS Translated Excerpt] Belgrade, 27 Nov—[passage omitted] A. Kozyrev says that he feels that the Serbian president is also making a large and positive contribution to the talks process between Croatia and Serbian Krajina as concerns economic issues. "We hope that a package of agreements will be signed in the next few days between Zagreb and Knin which will unravel the problems of bilateral relations in the economic sphere. Their cooperation will be beneficial for both sides and will help them normalize political relations," the Russian minister believes. "Although this does not relate directly to the sanctions against the Federal Republic of Yugoslavia, it still bears witness to Belgrade's peaceful policy."

In addition, A. Kozyrev continued, the Serbian president "is exerting quite a serious restraining influence on the crisis in Bihac and on the situation in Bosnia-Herzegovina in general." Belgrade is firmly behind a peaceful settlement, has supported the "Contact Group's" peace plan, and has ceased to support the Bosnian Serbs, who have rejected this plan.

These two points should be taken into account by the world community when it examines the issue of sanctions against Yugoslavia, A. Kozyrev said. He added that Belgrade also supports the statement made on Saturday by the chairman of the UN Security Council on the need to end hostilities throughout the whole of Bosnia-Herzegovina.

On the subject of possible new Russian intitiatives for a settlement in Bosnia at the coming meeting of foreign ministers from the countries of the "Contact Group" on Bosnia, A. Kozyrev said that there is a plan to offer the sides in the conflict a document for signing on an all-round cease-fire. The world community could undertake to oversee that it is observed. Pointing out that it was the Muslims who caused the renewed tension in Bosnia by launching the attack near Bihac a month ago, which was countered by the Bosnian Serbs, the minister

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said that the world community "should not allow a repeat of the Bihac situation." [passage omitted]

Moscow May Withdraw Peacekeepers From Former Yugoslavia

LD2811111694 Moscow INTERFAX in Russian 1025 GMT 28 Nov 94

[FBIS Translated Text] 28 November 1994—Minister of Defense Grachev does not exclude the possibility that Russian peacekeepers may be withdrawn from former Yugoslavia. Russia may begin to examine the question of the withdrawal of its peacekeeping contingent from the former Yugoslavia, Pavel Grachev, minister of defense of the Russian Federation, said in a conversation with a group of Russian journalists in Moscow on Monday.

He stressed—obviously meaning the United States—that if "a certain country" alone continued to decide questions concerning Bosnia unilaterally, then "the role of peacekeepers may soon be redundant." "If things go on as they are, the question of the withdrawal of Russian 'blue helmets' from the former Yugoslavia will go from words to deeds," he said.

P. Grachev expressed concern that "the embargo on the delivery of weapons to Bosnian Muslims and Croats has essentially already been lifted." "The window is open and weapons are already being delivered to Bosnia bypassing any control [kontrol]," the minister said.

He said that "this is extremely undesirable." "The accumulation of weapons may lead to the further escalation of combat actions not only in the former Yugoslavia, but in the Balkans as a whole," he noted.

At the same time, P. Grachev placed a certain share of responsibility for the present exacerbation of the situation in Bosnia also on the Bosnia Serbs, who "can still not agree to the Contact Group's peace plan for territorial division".

Kozyrev on Proposed Changes to Contact Group Plans

LD2711203494 Belgrade TANJUG Domestic Service in Serbo-Croatian 1723 GMT 27 Nov 94

[FBIS Translated Excerpt] Belgrade, 27 Nov (TANJUG)—[Passage omitted]

Speaking about the upcoming ministerial meeting of the Contact Group, which is scheduled for the beginning of December in Brussels, Kozyrev said that Russia will present a new initiative for solving the Bosnian crisis at this meeting. He said that this relates to the cessation of hostilities throughout Bosnia, and not only in the Bihac region.

The Russian foreign minister also hinted at a certain adjustment to the Contact Group plan, in two important aspects. First, the elimination of the unequal treatment of the warring parties in Bosnia—equal rights for the Muslim-Croatian Federation in its links with Croatia, and for the Serb Republic in its links with the FRY.

In Kozyrev's view, the Contact Group's plan should be amended to define the constitutional arrangements and the creation of conditions for bilateral agreements on territorial arrangements in the former Bosnia-Herzegovina.

Finally, Kozyrev said that at the upcoming meeting in Brussels, Moscow will also raise the question of the sanctions against the FRY, or rather lifting them, bearing in mind, above all, the peaceful policy of Belgrade vis-a-vis the Yugoslav crisis and the Bosnian conflict.

Replying to a question from Russian correspondents as to whether the leaders of the Serb Republic were also present in Karadjordjevo, Kozyrev replied: "For me the important thing was meeting President Milosevic."

Karasin Previews Contact Group Meeting

LD2711234294 Moscow ITAR-TASS World Service in Russian 2300 GMT 27 Nov 94

[By ITAR-TASS correspondent Yuriy Kozlov]

[FBIS Translated Text] Moscow, 28 Nov—The visit by Russian Foreign Minister Andrey Kozyrev to Bonn and Belgrade became the concluding phase in determining Europe's line of approach to the crisis in former Yugoslavia on the eve of a meeting of the "Contact Group" on Bosnia. Its sitting at the level of heads of foreign political departments of Russia, the United States, Great Britain, France, and Germany will take place in Brussels on 2 December, Grigoriy Karasin, director of press and information department of the Russian Foreign Ministry, told ITAR-TASS on Sunday evening while summing up the Russian minister's three-day working trip to Germany and the Federal Republic of Yugoslavia.

This conversation with the official spokesman of the foreign political department took place in the form of an impromptu interview given to Russian journalists aboard the aircraft flying from Belgrade to Moscow.

Running ahead, G. Karasin noted that one should not expect of Brussels an "easy meeting" designed only to "register agreements reached earlier." "This will be a meeting and discussion during which the participants will, possibly, try to contrast one another's approaches to a resolution of the Bosnian problem," he added.

Concerning the question of the talks between the head of Russian diplomacy and Serbian President Slobodan Milosevic, the official spokesman of the Foreign Ministry of the Russian Federation did not give a clearly negative answer to the question of the participation of representatives of the Bosnian or Krajina Serbs in the consultations. The most prolonged part of the bilateral

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meeting, he said, took place behind closed doors, to which even members of the official delegations were not permitted access.

Overall, G. Karasin noted, the talk was not at all easy and it was of a direct and frank nature. The Russian minister drew particular attention to the need for common sense to prevail in tackling the Yugoslav crisis instead of the tactics of forcible pressure, and also to the prospects of the world community further softening sanctions against Belgrade. There are grounds for believing that "in the near future we will hear from S. Milosevic some kind of statement of principle setting out on his position," the official spokesman of the Foreign Ministry of the Russian Federation summed up.

Group Has No Simple Solution to Bosnia

LD2811121194 Moscow INTERFAX in English 1110 GMT 28 Nov 94

[FBIS Transcribed Text] The Russian Foreign Ministry's spokesman Grigoriy Karasin has warned against expecting anything simple and planned in advance from the Contact Group (Russia, U.S. France, Britain, Germany) at a meeting on Bosnia to be held at foreign ministers level on December 2. "Each partner in Brussels will counter other partner's approach with its own", he suggested in an interview with a group of Russian journalists.

At the same time, he noted that as a result of Kozyrev's latest meetings with his European counterparts (from France, Britain, and Germany), an attempt has been made to "construct a single European line of approach to the Yugoslavian crisis."

Russia, he remarked, will continue to press for softened sanctions against Belgrade, which despite the tension over Bihac (Bosnia) and NATO's air strikes clings to its former posture of "aversion to adventures and support for the Contact Group's plan." Karasin pointed out that the sanctions on fuel and energy supplies to Yugoslavia should be lifted first of all.

"If we encourage a reasonable position, this will eventually lead to a solution of the conflict," the diplomat said.

Russia's Foreign Minister Andrey Kozyrev, who met with Serbia's president Sunday, has also noted "a serious constraining influence" of Belgrade and President Slobodan Milosevic on the situation in Bosnia, in particular in Bihac.

Kozyrev evaded a direct answer when asked whether his negotiations with Milosevic had been attended by representatives of the Bosnian and Krajina Serbs and explained that what mattered for him most was that a detailed discussion with President Milosevich had taken place.

UN Envoy on Security Council Statement on Bihac

LD2711111594 Moscow ITAR-TASS in English 1057 GMT 27 Nov 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Excerpt] United Nations 27 Nov (TASS)—The U.N. Security Council has issued a statement calling for an immediate cease-fire in the Bihac area and a withdrawal of Serb forces from there, and for more active talks on cessation of hostilities throughout Bosnia-Herzegovina. The statement was read by Council President Madeleine Albright (USA) on Saturday [26 November] night. [passage omitted]

In response to journalists' request to comment on the Council statement, Sergey Lavrov, permanent representative of the Russian Federation to the U.N., said "the call to the sides immediately to hold negotiations on a comprehensive cessation of hostilities throughout Bosnia-Herzegovina in accordance with the peace plan suggested by the Contact Group is the Council statement's centre- piece, along with the demand for an immediate ceasefire in the Bihac area. This is, I think, the determinative part of the statement".

"I would also single out that part of the statement which speaks about full support for the actions of the U.N. Protection Force in Bosnia (UNPROFOR). This is very important now that remarks, which do not correspond to the facts, about the UNPROFOR command have appeared," the Russian representative added.

When the draft statement, sponsored by the United States, was being discussed before approval, provisions concerning the deployment of armed forces in Bosnia's 'safe area' were excluded from the text, Lavrov said.

The Council waits for the U.N. secretary-general's special report on the status of the "safe areas", he added.

Commentator Criticizes Decision To Expand NATO

LD2611224294 Moscow Voice of Russia World Service in English 1810 GMT 26 Nov 94

[Valentin Zorin commentary]

[FBIS Transcribed Text] Two years ago I was fortunate to meet the now late NATO Secretary General, Manfred Woerner. Our conversation was quite open and frank. The NATO Secretary General told me not only about the problems of the organization but also gave me the opportunity to get to know its modern structures, to talk with people occupying leading positions in the North Atlantic Treaty Organization.

That's precisely why I believe today that I have every right, with the basic facts at my disposal, to express my total disagreement with the decision of the recent 40th session of the NATO assembly, whose resolution is

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aimed at extending NATO in the next two to five years. The expansion in the plan of the authors of the draft resolution is to be done by including in the North Atlantic bloc a number of countries of central and eastern Europe, firstly Poland and Czech Republic and Hungary.

If we just leave for the moment the numerous rhetorical exercises indulged in by many western leaders and influential politicians to find the true purposes of the step, then the issue may be reduced to a simple situation. The military and political bloc, headed by the United States, is moving very close to the Russian borders.

Speaking about the rhetorical exercises by some western political figures, I have in mind first of all the extensive discussions on the theme that the North Atlantic Treaty Organisation in its present form is not the same as the NATO bloc of the cold war period. Listening to them talk like this it would seem that the talk is about an innocuous, harmless club of gentlemen, who at a coffee table would want to discuss the various matters of European politics.

In the meantime it was not by accident that I started out with the recollection of the wide range of issue discussed between me and the late Manfred Woerner and his close aide.

Talking about some serious corrections which life itself had foisted upon the NATO strategists and about the changes in the formulations of NATO's objectives, the late Secretary General of NATO nonetheless did not attempt to deny that currently and as before the North Atlantic bloc remains above all a military organisation, relying on quite concrete divisions, fleets and squadrons. This was the position two years ago when I had a talk with Manfred Woerner in Brussels. And so it is today when leading western politicians are seeking in accordance with plans and purposes to move this quite awesome military fist closer to the Russian border.

If for purposes of argument there are discernible differences between NATO in the past and NATO in the present, such differences, in my opinion, relate to the fact that NATO's divisions in the east are no longer facing divisions of the now defunct Warsaw Pact. And this creates a new, and not a favorable, military strategic situation for Russia.

Today I leave aside the conclusions of those who, in the face of incontrovertible facts, are seeking to show that the strengthening of NATO at the expense of admitting new members, including those who hitherto belonged to the Warsaw Treaty, and the appearance of NATO divisions in the imediate proximity of Russia's borders cannot pose a threat to Russia. This topic is for another time and occasion.

TV Shows Anti-U.S., Pro-Serb Demonstration

LD2711171694 Moscow Ostankino Television First Channel Network in Russian 1500 GMT 27 Nov 94

[Report by uninidentified correspondent—from the "Novosti" newscast]

[FBIS Translated Text] An anti-American demonstration in defense of the Serbs has been held outside the U.S. Embassy in Moscow. Between one and two hundred people took part. Those who gathered here on this frosty day are not indifferent to what is happening in the former Yugoslavia. The speakers here—including State Duma deputies and eyewitnesses of NATO bombing in Serbia—claimed that the United States is turning into a world policeman, restrained by no one.

The opposition was broadly represented among the demonstrators, from the Russian Way deputies' group and the Russian Popular Alliance to the Black Hundred.

Those assembled demanded an end to the bombing of Serbian positions and arms supplies to the Bosnians. A representative of the U.S. Embassy was handed an open letter of protest from the Russian public.

Anti-Russian Demonstration Held Near Embassy in Zagreb

LD2611154994 Moscow ITAR-TASS World Service in Russian 1247 GMT 26 Nov 94

[By ITAR-TASS correspondent Andrey Naryshkin]

[FBIS Translated Text] Zagreb, 26 Nov—An aggressive crowd of about 2,000 people held a demonstration at midday today by the Russian Embassy in Zagreb. The demonstrators, headed by Zvonimir Separovic—an extremist enjoying some notoriety here—carried a coffin draped with a UN flag to the embassy and held a noisy rally, chanting anti-Russian slogans and shouting out abuse over Russian policy in Bosnia and Croatia.

The police seems to have been apprised in advance of the demonstrators' plans, because just before the demonstrators arrived a reinforced detachment of police was drawn up by the embassy walls. The embassy staff reacted calmly to the provocation, telling the demonstrators that they would talk only with representatives of the Croatian authorities.

Japan To Discuss Helping Russia Join GATT During Visit

LD2511180194 Moscow ITAR-TASS in English 1603 GMT 25 Nov 94

[By ITAR-TASS correspondent Vladimir Kutakhov]

[FBIS Transcribed Text] Tokyo November 25 TASS—Japan plans further assistance to Russia in its joining of the General Agreement on Tariffs and Trade (GATT), as well as cooperation in this sphere.

The Russian membership in GATT will be discussed during an official Japanese visit of Russian First Vice-premier Oleg Soskovets to begin on Sunday, the more so Russia has applied for membership in the international trade pact, press secretary of the Japanese Foreign Ministry Kishichiro Amae told a briefing here today.

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Bearing in mind each state faces GATT requirements when joining the agreement, Japan has sent a delegation to Moscow on the Russian request to share experience and explain what the requirements will be, said Amae. Tokyo is planning further contacts with Russia in this sphere, since it believes Russia will still have to work before joining GATT, he noted.

The Russian debt is a most serious problem in Russian-Japanese trade, and Japan would like to settle it during the visit of Oleg Soskovets, said Amae.

Both sides have agreed on delayed payment of the Russian debt, and it is quite possible they will sign certain documents in addition to the agreements reached within the framework of the Paris Club, he noted.

Talks on Fishing, Kurils Dispute To Begin

LD2711111494 Moscow ITAR-TASS World Service in Russian 1000 GMT 27 Nov 94

[By ITAR-TASS correspondent Vasiliy Golovnin]

[FBIS Translated Text] Tokyo, 27 Nov—Russia and Japan have decided to begin full-scale talks on the problem of fishing near the southern Kurils where incidents involving Japanese poachers continue. This was announced today during the meeting between Oleg Soskovets, first deputy chairman of the Russian government, and Yohei Kono, Japanese deputy prime minister and foreign minister.

Assessing his counterpart's position, Oleg Soskovets told ITAR-TASS that the Japanese side was ready for a constructive dialogue. He said the beginning of his visit to Japan was very productive.

At the same time, a senior official at the Japanese Foreign Ministry told ITAR-TASS that the talks on fishing near the southern Kurils "will be difficult" and "will take time." The senior official said working contacts should precede an official dialogue to define the framework of the future dialogue on fishing near the disputed islands.

During today's meeting with Oleg Soskovets, the Japanese foreign minister expressed "regret" in connection with the shooting to which Russian border guards subject Japanese fishing schooners that enter the southern Kurils zone. In reply, the first deputy prime minister pointed at the existing poaching problem that he said should be resolved in a way acceptable to both sides.

The participants in the talks confirmed their adherence to the Tokyo Declaration signed on the results of the visit to Japan by President Boris Yeltsin in October last year. By doing so, they expressed readiness to continue the talks aimed at resolving the lingering dispute around the southern Kurils and signing a peace treaty. Oleg Soskovets stressed that the territorial dispute could not be solved in one go, and called for mutual understanding in the sphere of economic cooperation and building up confidence.

He proposed to Tokyo to think about improving economic cooperation with the Kurils. Yohei Kono declined the proposal and said it ran counter to the Japanese position in the territorial dispute with Moscow.

Murayama Stresses Territorial Problem in Meeting

LD2811074194 Moscow ITAR-TASS in English 0723 GMT 28 Nov 94

[By ITAR-TASS correspondent]

[FBIS Transcribed Text] Tokyo November 28 TASS—For Japan's economic relations with Russia to develop successfully, it is important that real progress be achieved in a solution to the territorial problem, with reliance on the provisions of the "Tokyo Declaration", which was signed as a result of Russian President Boris Yeltsin's visit to Japan in October last year, Japanese Prime Minister Tomiichi Murayama stated here on Monday during a meeting with Russia's First Vice-Premier Oleg Soskovets, who is currently here at the head of a large Russian delegation.

During the meeting, personal messages were delivered to Mr Murayama from President Boris Yeltsin and Prime Minister Viktor Chernomyrdin who invite the Japanese premier to pay an official visit to Russia, a visit which, they write, will serve to broaden political dialogue.

Mr Murayama thanked for the invitations but emphasised, however, that his trip to Russia should deal with practical matters in the interests of developing relations between the two countries both in the economic field and from the viewpoint of resolving the territorial problem. In this connection, the Japanese prime minister invited Viktor Chernomyrdin to visit Japan at a date of his convenience.

Oleg Soskovets reaffirmed during the meeting that the Russian Government intends strictly to abide by the provisions of the "Tokyo Declarations", pointing out that there are quite a number of problems which Russia inherited from the former Soviet Union. He called for a gradual advance towards the elaboration of a mutually acceptable text of a peace treaty which Moscow and Tokyo "have been lacking ever since the end of the Second World War."

The level of economic relations between Russia and Japan does not correspond to their potential and role in the world, Soskovets pointed out. In this connection he urged the Japanese Government to render practical assistance to private business in its operations with the Russian Federation.

Soskovets suggested, in particular, that Japan develop economic relations with South Kurils, pointing out that such an approach may become a basis for solutions to political problems as well.

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Mr Murayama declined the idea on the plea that it does not correspond to Tokyo's main position on the territorial problem. At the same time he said Tokyo is prepared to render assistance to Moscow in a transition to a free market economy, emphasising that the current visit of the Russian delegation proceeds successfully, promoting the development of bilateral relations.

Soskovets Seeks Help Easing Iraqi Sanctions

LD2811042394 Moscow ITAR-TASS World Service in Russian 0205 GMT 28 Nov 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Tokyo, 28 Nov—Russia is prepared to pay off existing debts, including those inherited from the former USSR. This was stated today by Oleg Soskovets, first deputy chairman of the Russian Government, at a meeting with Japanese parliamentarians.

He reported that, on the whole, the Russian Federation's foreign debt currently amounts to 150 billion dollars, while many countries are in debt to Russia itself. In particular, Iraq still owes 10 billion dollars. In this connection, Soskovets asked Japanese parliamentarians to support Moscow on the issue of the easing of international sanctions, which are preventing debtor countries from meeting their obligations.

Touching on bilateral relations, the first deputy prime minister noted that they had progressed considerably since last year's visit to Tokyo by President Boris Yeltsin. Soskovets mentioned the fact that at the intergovernmental talks that were held on Sunday the sides confirmed their adherence to the "Tokyo Declaration," which calls for existing problems, including the territorial dispute, to be solved on the basis of lawfulness and justice.

The Japanese parliamentarians who spoke at the meeting noted that Tokyo is in favor of the development of bilateral contacts on a balanced basis. It was noted, in particular, that the solution of the territorial problem should be coordinated with trade and economic relations.

Japan Grants $530 Million to Modernize Russia's Industry

LD2811142394 Moscow ITAR-TASS in English 1342 GMT 28 Nov 94

[FBIS Transcribed Text] Tokyo November 28 TASS—Japan agreed on Monday to provide 530 million U.S. dollars to modernise Russia's industry instead of the previously agreed 400 million.

An agreement to this effect was reached during the talks between Russian First Vice-Prime Minister Oleg Soskovets and leading Japanese financiers and bankers in Tokyo on Monday, informed sources in the Russian delegation told ITAR-TASS.

The sources said that 400 million dollars will be directed to three of the four industrial projects proposed by Russia—the Yaroslavnefteorgsintez oil refinery (240 million dollars), the St. Petersburg-based Impuls plant (140 million dollars) and the truck- building plant Kamaz (60 million dollars). No final agreement has been reached on the financing of the modernisation of the Moscow car factory Azlk. The sides are now thrashing out the details of the project.

The Japanese Government has agreed to provide for this project 130 million dollars out of the 500 million dollar humanitarian credit it pledged earlier.

The memorandum to grant Russia a 530 million dollar credit will be signed before Oleg Soskovets leaves Japan, deputy president of the Japanese export-import bank Akira Nambara said.

The remaining part of the 500 million dollar credit will be directed to the modernisation of industrial facilities in the Russian far east.

Foreign Ministry Representative Comments on Tokyo Talks

LD2811071394 Moscow ITAR-TASS in English 0639 GMT 28 Nov 94

[By ITAR-TASS correspondent Andrey Varlamov]

[FBIS Transcribed Text] Tokyo November 28 TASS—"The visit to Tokyo by Russia's First Vice-Premier Oleg Soskovets is aimed at resolving concrete practical matters. It proceeds very productively and is an important contribution to the implementation of the Russo-Japanese 'Tokyo Declaration' signed in 1993 during President Boris Yeltsin's visit here," Russian Deputy Foreign Minister Aleksandr Panov, who represents the Ministry at the Russian delegation's talks in Japan, told ITAR-TASS in an exclusive interview on Monday.

The Russian diplomat regards it as one of major results of the ongoing visit the signing of four joint documents on Sunday and, first of all, a memorandum on the establishment of an intergovernmental commission for trade and economic cooperation, the issue on which the sides "have been unable to come to terms for more than 20 years". Great expectations of both Moscow and Tokyo are now associated with the commission, Panov emphasised.

Another major achievement is the accord on talks on fisheries in the South Kuril area where Japanese fishermen, who engage in unlawful fishery operations, are subjected to arrests and are fired upon by Russian border guards, the Russian diplomat said. "This is a really big step aimed at resolving the problem which gives rise to a good deal of emotion here," Panov said.

Asked what is yet to be done during the visit, Panov said the two sides are expected to sign a framework agreement on the use of the credits granted by Japan's

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Export-Import Bank to the tune of 400 million U.S. dollars on four projects to modernise Russian enterprises, including the Kamaz autoworks, the Moscow-based Leninskiy Komsomol car factory, the St. Petersburg-based Impuls plant and the Yaroslavnefteorgsintez petroleum organic synthesis complex.

During the forthcoming meeting with Soskovets, Ryutaro Hashimoto, Japanese minister of international trade and industry, is also expected to put forward a wide-ranging plan for cooperation with Russia in various fields, the Russian deputy foreign minister said.

On the whole the political and business atmosphere of the visit is very auspicious, Panov emphasised. "Japanese businessmen are interested in developing trade-and-economic relations, and the Russian side should be quick to avail itself of this to elevate these relations to a higher stage," Panov said.

Officials, Party Figures Support End To Iraq Sanctions

JN2711211194 Baghdad INA in Arabic 1930 GMT 27 Nov 94

[FBIS Translated Excerpt] Moscow, 27 Nov (INA)—Prominent Russian political, parliamentary, and religious figures have expressed their support for Iraq, for its just causes, and for its demands that the unfair economic sanctions clamped on it for the past four years be lifted.

During separate meetings with an Iraqi National Assembly delegation, which is currently taking part in the deliberations of the third Congress of the Russian Agrarian Union held in Moscow, these figures hailed the heroic positions of the Iraqi people and their patriotic leadership, which have won the admiration and appreciation of honorable people all over the world.

Russian Deputy Prime Minister Zaveryukha has underscored the Russian Government's firm support for Iraq, and for its demand to lift the economic sanctions, which have caused huge losses, not only to Iraq, but also to several world states, including Russia.

The Russian deputy prime minister added that the Russian leaders and the Russian Government have made up their mind in this regard. They are determined to forge ahead in their efforts to revoke the economic sanctions, particularly since Iraq has met the demands of the UN Security Council, he noted.

For his part, Russian Minister of Agriculture Aleksandr Nazarchuk underscored the urgent need to revoke the economic sanctions and end the sufferings of the Iraqi people, because the continuation of the sanctions is no longer acceptable, particularly since Iraq's good faith has been firmly established, not to mention its compliance with all relevant UN Security Council resolutions.

The Russian agriculture minister added: We will do our best to revoke the Iraq sanctions. We will spare no effort to achieve this objective. He reiterated that all members of the Russian cabinet support the revocation of the economic sanctions, which they view as an unacceptable act of piracy.

Mikhail Lapshin, leader of the Russian Agrarian Party, has reiterated his party's positions, which call for revoking the economic sanctions clamped on Iraq, particularly since it has implemented the relevant UN Security Council resolutions. He noted that his party is opposed to all forms of blockade, which it views as inhuman, uncivilized, and extremely harmful to people.

Sergey Baburin, Russian parliamentarian and prominent political figure, demanded an end to the economic embargo clamped on Iraq, viewing it as an act of collective genocide that flagrantly contravenes all human and international norms and conventions.

He added that the world is currently required to support the just struggle being waged by the Iraqi people, and to protect them from the conspiracy of starvation determinedly pursued by the United States due to the absence of international equilibrium, which has allowed a single state to control the world's resources and caused serious catastrophes. [passage omitted]

Dr. Khattab 'Abd-al-Karim, chairman of the National Assembly's Agricultural and Trade Committee, delivered a speech at the third Congress of the Russian Agrarian Union in which he valued the recent positions adopted by the Russian Federation—government and people—as manifested in the efforts it has made to revoke the economic sanctions and end the Iraqi people's sufferings.

The Iraqi official hoped that the Russian Agrarian Union, along with other active forces in Russia, will promote the demands for lifting the economic sanctions clamped on the Iraqi people.

Duma, Foreign Ministry Positions on Crimea Differ

MK2611120094 Moscow KOMMERSANT-DAILY in Russian 26 Nov 94 p 4

[Report by Aleksandr Koretskiy: "Russian-Ukrainian Relations. Smolenskaya Ploshchad in Quandary Again"]

[FBIS Translated Excerpt] "There are no political problems between Ukraine and Russia," Ukrainian Supreme Soviet Speaker Oleksandr Moroz said as he met with heads of regional soviets in Kiev on the evening of 24 November. Curiously, Ukraine's embassy in Moscow concurrently forwarded a note of protest to Russia's Foreign Ministry precisely regarding political problems, in particular the statement passed by the State Duma the day before regarding the Ukrainian Supreme Soviet stance on Crimea. The situation was further soured by an anonymous caller from the Ukrainian Foreign Ministry who warned the world via INTERFAX-UKRAINE that

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the global nuclear disarmament process is in jeopardy—allegedly "some people in Russia" are not interested in it. [passage omitted]

This once again puts the Russian Foreign Ministry into a dubious position. On one hand, Smolenskaya Ploshchad [Foreign Ministry], as a body of the executive branch, is supposed to steer the course chartered by the lawmakers who see no difference between Ukraine's independence and Crimea's "problems and expectations." Moreover, the deputies appear only to "put up with" Ukraine's state independence, and directly link the solution of its domestic problems with the ratification of an interstate treaty which, besides, has not yet been signed. On the other hand, Moscow, in the shape of Boris Yeltsin and Andrey Kozyrev, let it be understood to Simferopol—back in September at the height of the struggle for power inside Crimea between President Meshkov and Speaker Tsekov—that Simferopol should straighten out its problems with Kiev alone, and that it should not appeal to Russia. The Duma statement once again builds a linkage between the Crimea problem and the friendship treaty, whose signing has been repeatedly postponed. The fact that the Ukrainian Embassy note only proposes that explanations should be offered in connection with the Duma statement, however, suggests that Kiev realizes how difficult are the entire relations between Smolenskaya Ploshchad and Okhotnyy Ryad [State Duma]. [passage omitted]

Yeltsin Edict on Aid for Russians in Emergencies Abroad

MM2811145394 Moscow ROSSIYSKAYA GAZETA in Russian 25 Nov 94 Weekend Edition p 4

[Unattributed report: "Rescue by Regulation"]

[FBIS Translated Text] The appearance on the world map of more and more "hot" spots has prompted the Russian Federation president's edict "On Measures for the Activity of Russian Federation Institutions and Citizens Abroad in the Event of Emergency Situations."

When a threat hangs over the health and lives of the citizens of a particular country who find themselves outside that country, the state's duty is to ensure their immediate return home. Russia has also had to conduct such rescue operations—suffice it to recall the recent evacuation of our people from Yemen.

As we were told by the Ministry for Emergency Situations, the new edict introduces operations to rescue Russian citizens within a clearly regulated framework. All circumstances in which the threat to the health and lives of people may arise are detailed as far as possible. This includes extreme situations such as aggression against Russia and an armed attack on the country of residence. Other emergency situations are also taken into account. The evacuation of Russian citizens, and also the temporary suspension of the activity of Russian Federation institutions abroad will be effected in the event of natural disasters, epidemics, major accidents, and disasters in the county of residence and contiguous countries, and in other extreme situations.

The Russian Federation president is adopting a decision on evacuating Russian citizens and on using manpower and resources to carry this out. At the same time, a complex of measures, which includes first and foremost political support for compatriots abroad, carrying out measures to provide vital facilities for casualties, and finally, direct evacuation and the dispatch of airplanes in accordance with the agreement with the country of residence, is being put into effect.

U.S. Ambassador Apologizes for Grigorenko Visa Incident

MK2611122094 Moscow KOMMERSANT-DAILY in Russian 26 Nov 94 p 3

[Report by Natalya Arkhangelskaya under "The U.S. Ambassador Has Apologized" rubric: "Presumption of Dishonesty Will Be Rooted Out"]

[FBIS Translated Text] U.S. Ambassador to Russia Thomas Pickering yesterday officially apologized to Russian human rights monitor Sergey Kovalev for the incident with the son of well known human rights activist Petr Grigorenko, whom the U.S. consular service in Moscow refused a visa to visit his sick mother. To draw public attention to this case, Sergey Kovalev picketed the embassy and refused to visit the United States.

At the same time, Kovalev and Pickering admitted that lying behind this is a problem which the Russian representative described as a "presumption of dishonesty in issuing visas." The U.S. consular service in Moscow refuses visas to nearly one-quarter of the applicants; there are frequent complaints about the Americans' rudeness. The ambassador attributed this to the extreme overload of officers who process up to 500 applications a day, and also the cramped and inconvenient premises. The embassy intends to resolve the problem by providing the consular service with a computer network and finding new premises with assistance from the Moscow authorities.

The main problem, however, is the large number of illegal emigrants among Russians going to the United States (up to 10 percent). And if visas are granted indiscriminately, soon the United States will have to create a special police force for deporting illegal aliens. This, the ambassador is convinced, poorly correlates with respect for human rights. Admitting the fairness of the point, Kovalev nonetheless noted that a 10 percent rate of illegal emigrants—out of which many, incidentally, bring tangible benefits to their new motherland—is a normal price for the prosperity and civilization of the United States. In parting, the interlocutors promised each other personally to monitor the problem.

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Figures Indicate Increased Trade With Western Europe

MS2411124994 London FINANCIAL TIMES in English 24 Nov 94 p 4

[Report by John Lloyd: "Russian Trade Turns Westward"]

[FBIS Transcribed Text] Russia now trades more with developed countries, especially with western Europe, than with other former Soviet states—a dramatic change in trading patterns over the past three years.

The first figures showing trade with developed countries and the other members of the Commonwealth of Independent States (CIS) were released yesterday at a conference of senior Russian and European Union [EU] officials and ambassadors.

The data show that, in the first two quarters of this year, Russia's trade volume with the members of the European Union, stood at $16.8bn ($9.9bn exports and $6.9bn imports)—37 per cent of its total trade.

This compares with $10.8bn trade turnover with the other CIS member states ($6.2bn exports and $4.6bn imports)—24 per cent of its total trade. Trade with the former partners in Comecon, the trading bloc which used to unite the socialist countries, has fallen even faster: central and eastern European countries had a trade turnover of only $5.7bn with Russia in the first half of this year ($3.7bn Russian exports and $2bn imports).

By far the largest part of Russian exports to these and other countries is raw materials, especially energy.

Russia has cut back on energy supplies to the CIS states, preferring the greater ability to pay and the higher prices paid by states outside of the former Soviet Union—a policy which the government has said will continue this year and which is likely to cause problems to the weaker CIS members.

Germany is by far the most important trading partner for Russia within the EU—and in the world. Bonn's 1993 trade turnover with Russia stood at $5.8bn, compared with China's $4.02bn. Mr Reiner Hartmann, the Moscow representative of Ruhrgas—the biggest foreign customer for Russian natural gas—said that Germany takes 30 per cent of its gas and 12 per cent of its crude oil from Russia.

"Without any doubt Russia's market today and tomorrow is in western Europe—and for the European Union, Russia is the most significant trading partner on the continent."

Russia is the fifth largest trading partner for the EU after the US, Switzerland, Japan and China. A background paper produced for the conference says that there is "enormous potential" for a growth in trade.

"In the long run one might expect these trade flows to converge on something closer to the scale of the EU's trade with the US, currently seven times greater. While it will take many years for such economic structures to develop, the geographical proximity of Russia and the EU will facilitate a great trade expansion," the paper said.

Russia has progressively liberalised trade policies over the past three years—though it re-imposed some tariffs earlier this year. The government, however, faces calls for more protectionist measures in the face of continuing decline in Russian industrial production. The structure of Russian imports has switched massively from capital goods and equipment to consumer goods, especially food.

The Agreement on Partnership and Co-operation, signed by President Boris Yeltsin and EU leaders in Corfu in June, established a legal framework for trade in goods and services and for the operation of foreign investments. The agreement is designed to evolve until 1998 when a review of its operation will be held to determine whether or not a free trade regime can be established between the EU and Russia.

EU states also play a dominant role in the formation of joint ventures—with over 90 per cent of total ventures being between a company from one of the EU states and a Russian enterprise.

However, the expansion is not without attendant problems. Mr Sergey Krylov, Russian deputy foreign minister, said EU states still practised substantial discrimination against Russian goods. "We want no particular advantages," he said, "we want only agreed entrance to the European market."

Mr Oleg Bogomolov, a former official dealing with Comecon relations and now a leading deputy, said that "the breaking of the links with our former partners has been painful for them and us—and our trade with western Europe should not be to the detriment of trade with the CIS".

Mr Georgiy Gabunia, deputy trade minister, and Russia's chief negotiator of the agreement between the EU and Russia on partnership and co-operation signed in June, said that when Austria, Finland, Norway and Sweden join the EU "it will affect us adversely because we have freer trading arrangements with them than with the EU".

And Mr Sergey Baburin, a leading nationalist deputy of the State Duma (lower house) told the conference that "the influence of western Europe on Russia means an increase in pro-communist and nationalist sentiment here....the western European view of Russia as a source of crime, of drugs, of prostitution is a result of these policies which the western states have urged upon us".

Russian-Hungarian Agreement on Power Engineering Signed

LD2611091494 Moscow ITAR-TASS World Service in Russian 1630 GMT 25 Nov 94

[By ITAR-TASS correspondent Sergey Zhirnikhin]

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[FBIS Translated Text] Budapest, 25 Nov—A bilateral agreement signed in Budapest today by Imre Dunai, secretary of state at the Hungarian Ministry of Industry and Trade, and Yuriy Shafranik, Russian minister of fuel and power, provides for a deepening of cooperation between Hungary and Russia in the power engineering field.

After reaching an accord, the sides will embark on devising a mechanism for the joint financing of, and provision of credit for, fuel and energy projects. The partners will also cooperate closely in the area of the privatization processes that are taking place in the two countries and will promote the setting up of joint ventures. The Russian minister voiced Russian interest in Hungarian supplies intended for the practical implementation of fuel and power projects.

Fuel Minister on German Investment in Tyumen Project

LD2511190594 Moscow ITAR-TASS in English 1749 GMT 25 Nov 94

[By ITAR-TASS correspondent Leonid vorontsov]

[FBIS Transcribed Text] Berlin November 25 TASS—A Russian-German Tyumen-1 project was presented here today to show an example of the use of non-state Western money to implement Russian regional programs.

Russian and German leaders have supported the idea to fulfill regional and branch projects with private capital, Russian Fuel and Energy Minister Yuriy Shafranik told negotiations with German investors in the German capital today.

A credit-barter agreement elaborated by Russian and German specialists within two years will result in the allocation of one billion DM [German marks] worth of credits by German banks to enterprises of the Russian Tyumen region for development of the regional economy. The Russian side guarantees credits with the oil delivery from the ten per cent oil stock owned by the Tyumen authorities. The German guarantees are ensured by the Hermes insurance society.

The Tyumen project is a model for other regions, stressed Shafranik. Tatarstan is considering the use of a similar scheme. However, the credit-barter agreement is the first step in relations with foreign partners. Its projects are expected to be compensated within two or three years. Further proceeds will be used to make a financial-investment fund, whose money may be used for local and interregional projects, said Shafranik.

Chevron Excluded From Russia-Oman Pipeline Agreement

LD2511160194 Moscow INTERFAX in English 1437 GMT 25 Nov 94

[FBIS Transcribed Text] Russia and Oman have drafted an agreement to implement the initial phase of a future Caspian oil pipeline system ruling out any active participation of the U.S. Chevron company, a senior Russian delegate who accompanied Viktor Chernomyrdin in his visit to Oman has told the Petroleum Information Agency.

Oman, which acts through the national Oman Oil Company (OOC), offered to finance the project with $150-$200 million and furnish financial guarantees for another $400-$450 million to finalize the first phase of the project to build the Tengiz-Tikhoretsk-Black Sea system, estimated at $1.2 billion. The system would make it possible to move all of Kazakhstan's oil export and part of Azerbaijan's export through Russian ports.

In exchange Oman asks for 25 percent of class B shares in the Caspian Pipeline Consortium (CPC), established by Kazakhstan, Oman and Russia in 1992 to implement the project.

Earlier a quarter of CPC shares were contested by Chevron, which extracts oil in Tengiz, Kazakhstan. The American company refused to provide $300 million to develop the project and guarantee the minimum pumping of oil through the pipe-lines.

Class B shares requested by Oman do not give additional voting rights as compared with those of other members of the consortium, but guarantee all profits and economic benefits any independent investor into the project would be entitled to.

Russia's Energy and Fuel Minister Yuriy Shafranik who took part in the talks in Oman, has said that Russia's attitude to Oman's proposals is favorable. At the same time the question of the distribution of shares remains open. "Certain matters are still to be discussed", Shafranik said. He believes that a concrete decision may be made at the forthcoming session of CPC board of governors.

Debts With Gulf States Rescheduled

LD2511160794 Moscow INTERFAX in English 1437 GMT 25 Nov 94

[FBIS Transcribed Text] The four countries of the Persian Gulf have either agreed to wait for the return of their Russian loans or scheduled more negotiations on the Russian debt issue. Russia runs a $2 billion debt with the Gulf nations. Meanwhile, a high-ranking member of the Russian delegation that accompanied Prime Minister Chernomyrdin on his tour of the Gulf nations told INTERFAX that Moscow and its Arab partners reached "understanding on the link between the debt problem and the Gulf's interest in the vast possibilities for investment in Russia."

Experts on the staff of the Russian Economics Ministry believe that $17 to $18 billion can be invested in joint ventures on Russian territory.

The Gulf nations realized long ago that oil comes to an end and that investment must be made in potentially

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profitable ventures, Russian Vice Premier and Minister of Foreign Economic Relations Oleg Davydov told INTERFAX.

The Russian delegation signed agreements on trade and economic cooperation with Saudi Arabia, Oman and Kuwait as well as an agreement on mutual protection of investments and a protocol on foreign ministry consultations with Kuwait.

Summing up the results of his tour, Chernomyrdin said Thursday [24 November] in Oman that goodwill was the condition for substantial trade turnover growth.

In 1993 trade turnover between Russia on the one hand and the United Arab Emirates, Saudi Arabia, Oman and Kuwait, on the other, stood at $305 million. Russian experts believe it could reach $3 to $4 billion in five years from now.

The negotiations in the Gulf countries focused on Russian support for carrying out the UN resolution on Iraq. According to Chernomyrdin, Moscow unswervingly supports the international community's demand for action "against aggression, regardless of who unleashes it." Along with that, Chernomyrdin called for the lifting of the anti-Baghdad sanctions on the condition that Baghdad complied with UN demands. Moscow attaches importance to that problem and hopes the anti-Baghdad sanctions will be lifted, he said. The people of Iraq deserve normal living conditions and normal relations with other nations, especially with their neighbors, Chernomyrdin told newsmen toward the end of his tour.

U.S. Version of Uranium Deal With Almaty Questioned

MK2511114094 Moscow KOMMERSANT-DAILY in Russian 25 Nov 94 p 4

[Report by Aleksandr Koretskiy: "More Uranium Has Been Bought Than Was Actually Available"]

[FBIS Translated Text] "We have put this bomb-grade nuclear material forever out of the reach of potential black marketeers, terrorists, and new nuclear states like Iran"—such was the triumphant report which marked the completion of the supersecret Project Sapphire in Washington yesterday. It has cost the United States at least $3 million, which was spent to airlift 558 kg of highly enriched uranium-235 from Kazakhstan to the United States. KOMMERSANT-DAILY's correspondent found out yesterday, however, that the noise around the Kazakhstan uranium is merely an attempt (moreover, not a very successful one) to remind the world about the U.S. superpower status. Neither the amount of the uranium which, according to officials, was transferred to the United States, nor the statements that it is enough to produce between 20 and 36 weapons correspond to reality.

If Pentagon chief William Perry can be trusted, the United States has simply saved the world from a nuclear catastrophe by putting half a tonne of highly enriched uranium out of harm's way. Moreover, a number of officials from the U.S. Administration hastened to report that the amount of Kazakhstan uranium-235 delivered on the morning of 23 November by a U.S. Air Force plane to a storage facility in Oak Ridge, Tennessee, is enough to produce at least 20 nuclear warheads. An anonymous U.S. "bomb specialist" thoughtfully told REUTER that, if used economically, it could produce as many as 36 charges. The main reason that prompted the United States to develop and execute Project Sapphire in complete secrecy was apparently the concern about the security of the installation where the uranium was stored in Kazakhstan. But, as KOMMERSANT-DAILY's correspondent found out yesterday at the Russian Atomic Power Industry Ministry, none of the statements made corresponds to reality.

First of all, the question can only be about 167 kg of tableted uranium-235 alloyed with beryllium and 27.4 kg of uranium-235 dioxide powder (which in total makes only 194.4 kg). This amount of highly (90-percent) enriched uranium, according to Vitaliy Nasonov, deputy chief of the Russian Atomic Industry Ministry Information Department, remained at the Ulba metallurgical plant, near Ust-Kamenogorsk, which produced reactor fuel elements, as of the moment the USSR disintegrated. There could not have been a single extra kilogram in excess of this amount at the plant: Uranium came from enrichment enterprises in Russia, which, after the breakup of the Soviet Union, stopped their supplies to Kazakhstan. Kazakhstan has no enrichment enterprises of its own (at any rate, nothing is known about them yet). In this context it is not clear just what the Americans have airlifted under the guise of a uranium shipment, or, assuming that the entire 558 kg was indeed uranium, how Kazakhstan came by another 363 kg of 90-percent enriched uranium-235.

Also surprising are statements by a number of highly placed U.S. Administration officials about the possible military uses of the Kazakhstan uranium. Any nuclear physics undergraduate knows that beryllium-alloyed uranium, even if highly enriched, is suitable only for power plants (for instance, nuclear submarines or icebreakers). Experts believe that only Russia or the United States can produce a bomb from uranium-235 alloyed with beryllium. Only these countries possess a technology for refining uranium from beryllium isotopes which the USSR used deliberately to "tarnish" uranium in order to prevent its further use for military purposes. But the refining operation is so expensive that it becomes simply senseless. As for the 27.4 kg of uranium-235 dioxide, it can indeed be converted into weapons-grade uranium. But again, after costly processing. True, apart from Russia and the United States, France and Britain can also do this. But not the "new nuclear states like Iran," as Washington asserts: Not even China has the technology to process uranium dioxide, although it continues intensively to develop its nuclear industry. Therefore, either Washington itself does not know what it has bought in

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Alma-Ata [Almaty] (reports about the sale appeared yesterday, with the sum of $20 million being cited), or it is trying to raise a tempest in a teapot.

Statements about poor security arrangements at the Ulba plant should also be treated critically. To hear the Americans talk, one could get the impression that the uranium there was virtually lying in piles right in the steppe, with anybody welcome to help himself. But the United States knows that the plant was part of the Medium Machinery Industry Ministry, which from the viewpoint of security arrangements was every match for installations of the Strategic Rocket Forces. The security system can hardly have degraded in full since the collapse of the USSR but, to be sure, to assume that its efficiency has reduced somewhat would be perfectly legitimate.

Back at the end of 1993 Kazakhstan offered to sell this uranium to Russia. But Moscow refused: It had plenty of its own. Then Alma-Ata offered it to Washington. But the United States also had enough uranium, especially given that the Kazakhstan uranium needed processing. In mid-1994 a "compromise" option was born: The United States buys the uranium but Russia assumes responsibility for its storage, with possible subsequent processing. Moscow refused again: It had no need for this uranium, and that was that. After some consideration the Americans apparently decided to kill two birds with one stone: buy uranium from Kazakhstan but pass it off as bomb-grade material. Naturally, winning laurels as savior from "a near nuclear catastrophe."

Uranium Said Unsuitable for Iran's Reactor

LD2511185794 Moscow INTERFAX in English 1711 GMT 25 Nov 94

[From the "Diplomatic Panorama" feature, by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Excerpt] Experts of the Russian Atomic Energy Ministry are skeptical about the speculations that about 600 kilograms of uranium could be sold to Iran, if the U.S. would not have purchased it earlier. [passage omitted]

"There are no operating nuclear power stations in Iran. Over the recent years, Tehran has not shown any nuclear ambitions. Though, the Iranians have one research reactor, but the uranium sent to the U.S. is unsuitable for that reactor," a high-ranking Russian diplomat told Interfax.

According to the diplomat, "the intention to put CIS states' nuclear programs, in the first place Russian, under the U.S. or, at worst, international control is behind this tumult about Kazakhstan's possible sale of uranium to Iran." "The present fuss should be seen as linked with the reports on leakages of uranium and other radioactive materials from Russia and other CIS states. These are links of one chain," he emphasized.

Uranium Sale Dismissed as 'Propaganda'

LD2511173894 Moscow INTERFAX in English 1602 GMT 25 Nov 94

[FBIS Transcribed Text] Experts of the Russian Atomic Energy Ministry are skeptical about the speculations that about 600 kilograms of uranium could be sold to Iran, if the U.S. would not have purchased it earlier.

A high-ranking ministry official told Interfax that the uranium stored at the Ulbinsk Metallurgical Plant in Kazakhstan was in alloy with beryllium. "The technology for extracting uranium out of its alloy with beryllium is very complicated and expensive. Iran does not have it," he said.

The ministry did not rule out that the intention to torpedo the Russian-Kazakh talks on cooperation in nuclear energy production was behind the rumors on possible sale of uranium to Iran.

The Russian Foreign Ministry believes that the reports on Kazakhstan's possible sale of uranium to Iran were "pure propaganda."

According to the diplomat, "the intention to put CIS states' nuclear programs, in the first place Russian, under the U.S. or, at worst, international control was behind this tumult about Kazakhstan's possible sale of uranium to Iran." "The present fuss should be seen as linked with the reports on leakages of uranium and other radioactive materials from Russia and other CIS states. These are links of one chain," he emphasized.

IAEA-DPRK Nuclear Negotiations Going 'Smoothly'

SK2611150194 Moscow Voice of Russia World Service in Korean 1200 GMT 26 Nov 94

[From the "Today's World" program]

[FBIS Translated Text] Another session of negotiations between the International Atomic Energy Agency [IAEA] and representatives of the DPRK Government has been held in Pyongyang.

Aleksey Kondratyev, commentator of this radio station, wrote that the issue of freezing the nuclear program was mainly discussed during the negotiations.

According to a report from Pyongyang, working-level negotiations are going smoothly. This is a very good indication and shows the North Korean people's readiness to implement the agreement with the United States pertaining to nuclear safeguards.

As the DPRK Foreign Ministry stated some time ago, Pyongyang is working out practical measures to freeze the nuclear reactors that are in operation.

The nuclear reactors in the DPRK will be replaced within a few years by light-water reactors, which are

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safer, and already-used fuel rods will be stored reliably and will be disposed of safely.

The UN Security Council authorized the IAEA to monitor the process of shifting the DPRK's nuclear program. There is no need to mention how smoothly the process of ultimately liquidating the nuclear crisis on the Korean peninsula will advance because many things will depend upon the efforts of the Korean people in the North and the South.

Pyongyang expressed its readiness to thoroughly implement the 1992 North-South joint declaration for denuclearization of the Korean peninsula.

However, the issue of resuming the dialogue between North and South Korea is still up in the air. The U.S. and Japan plans to organize an international consortium to supply light-water reactors to Pyongyang are still in the stage of discussion. Besides, the political and military situation on the peninsula remains unchanged. In other words, military tension has not been removed and in particular, the United States is continuing its military occupation of the southern part of the Korean peninsula.

In a nutshell, quite a few problems concerning security, including nuclear safeguards on the Korean peninsula, remain to be solved.

Moscow has proposed the convocation of an international conference for the comprehensive resolution of all problems, including the guarantee of the denuclearization of the entire Korean peninsula and safeguards.

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Political Affairs

Kozyrev, Christopher Discuss Bosnia Options

LD2611191594 Moscow Radio Rossii Network in Russian 1800 GMT 26 Nov 94

[FBIS Translated Text] A consultation meeting between Russian and German Foreign Ministers Andrey Kozyrev and Klaus Kinkel ended in Bonn today. It focussed on the situation in Bosnia.

Speaking at a news conference after the talks, the Russian minister revealed he had received a verbal message from U.S. Secretary of State Warren Christopher in connection with developments in the former Yugoslav republic. According to Kozyrev, the message contained some quite reassuring points. Most notably, Kozyrev noted, it said that no military operations would be carried out in Bosnia and that the only way to settle the conflict is by political means. The message also contained another important point: the United States is giving a go-ahead to humanitarian gas supplies to Yugoslavia. Sarajevo inhabitants will naturally also be able to use the gas. The measure shows the balanced approach of the UN Security Council and the Contact Group, the Russian minister stressed.

From Bonn Andrey Kozyrev flew to Belgrade, where he intends to meet with Serbian President Slodoban Milosevic.

Romanov Comments on Intent To Recall Rybkin

MM2811114594 Moscow SELSKAYA ZHIZN in Russian 24 Nov 94 p 2

[Interview with Gennadiy Romanov, senior staffer in the State Duma apparatus, by Aleksandr Platoshkin: "'Our Man on Their Side, Or Their Man on Our Side'?"—first two paragraphs are introduction]

[FBIS Translated Text] There is plenty of talk today about State Duma Speaker Ivan Rybkin, and about his political views and sentiments. Moreover the views are often diametrically opposed. Which way will Rybkin ultimately "go" and whom will he "join?"

Journalist Aleksandr Platoshkin tried to find out the answer to this question among "circles close to the speaker." Here is what Gennadiy Romanov, a senior staffer in the State Duma apparatus, thinks about this.

[Platoshkin] Some deputies, from the LDPR [Liberal-Democratic Party of Russia] for instance, are stating their intention to recall the votes they gave to Ivan Rybkin when he was elected chairman of the State Duma. What is behind that?

[Romanov] To put it briefly, the interests of a number of parliamentarians from one faction. But that answer does not reveal the full complexity of the political situation. The "malcontent" dominates Russia today. The population is irritated at being once again bought with promises. Instead of a "prosperous society with wide-ranging potential" it has gotten inflation, galloping price rises, unemployment, and a fall in the standard of living.

On the one hand, people would like a stark, resolute change in their living conditions. On the other hand, they are afraid of major social upheaval and civil war. The former prompts radicalism. The latter restraint.

Both society and the Duma take a different view of the speaker's position. Some consider him to be "their man who has gone over to the other side," while others consider him to be "one of the others on their side." While a third group reproach him for trying to straddle two stools. These views stem from the conviction that, in order to be a principled politician, you have to be radical and uncompromising.

At the same time there are people who realize that the Duma chairman has nothing to do with either of the aforementioned lines of conduct. They see that Ivan Rybkin is doing what he believes to be right in the prevailing situation. He does not want to promote the polarization of society into "us" and "them." He does not want social stratification, as a result of fueling political passions, to lead to civil tragedy. He agrees with those who think that Russia has had its fill of revolutions this century. But that stance does not suit very well those who want to turn the Duma into a political fighting ground.

[Platoshkin] How then are we to explain the fairly unexpected results of the vote of no-confidence in the speaker? Incidentally, he himself insisted on the vote.

[Romanov] During the first few months of the Duma's work the corps of deputies mastered the art of considered decisions. Thus the results of the vote—five people expressed no confidence in him—may indicate a qualitative change in the mind-set of many parliamentarians as well as the moderateness of their views. And probably the fact that the speaker's work and efforts have not been in vain.... He is focusing his attention primarily on strengthening the legislative assembly's positions within the state. This is being done amid tough presidential rule (in line with the constitution). The fact that the Duma preferred working on laws to political rallies does its chairman considerable credit. Few of our politicians work consistently on improving the institution of national parliamentarianism, which, in my view, will give Russia the only change of stabilizing the situation.

[Platoshkin] On the eve of the election campaign the speaker's rapprochement with the president is being assessed in a variety of ways. Among politicians and "Joe Public" there is a great deal of idle speculation, conjecture, and forecasting....

[Romanov] The constitutional system and political practice have made the president the "number one figure."

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Rivalry with him promises considerable advantages tomorrow despite the current futility of the exercise. That is why few people today want to run the risk of cooperating with the president. Warnings can be heard from various quarters that a politician who thinks about his career should not rub shoulders with a "regime that has outlived its shelf life." The only correct course is uncompromising criticism. Otherwise you yourself will be "buried under the wreckage."

These warnings are not unfounded against the backdrop of the Russian administration's constant failures with economic reform, the rampant crime, and the increase in social tension. Hence it can be concluded that the chairman of the State Duma, when forced to choose between personal success and strengthening legality and ensuring Russia's democratic revival, has chosen the latter option, to wit the well-being of the people and the state. He is ready to cooperate with anyone who holds these aims dear.

Nationalists To Propose Single Presidential Candidate

LD2711210894 Moscow ITAR-TASS World Service in Russian 1355 GMT 27 Nov 94

[By ITAR-TASS correspondent Natalya Cherepanova]

[FBIS Translated Text] St. Petersburg, 27 Nov—Aleksandr Sterligov, leader of the Russian National Assembly [RNS], believes that political struggle in Russia is going to intensify this coming winter. At a conference in St. Petersburg today he said that the nationalist section of the political spectrum "intends to put forward a single presidential candidate within the next few months in order to make it easier for the electorate."

"We have suggested that we should have a meeting and assess all the pros and cons of all the possible candidates—[Valentin] Varennikov, [Svetlana] Goryacheva, [Mikhail] Lapshin, [Vasiliy] Starodubtsev, [Aman] Tuleyev, [Gennadiy] Zyuganov, and [Petr] Romanov. The list also includes my name," Aleksandr Sterligov told ITAR-TASS today.

In his own words, the retired KGB general arrived in St. Petersburg in order to "quell the passions, overcome the differences among members of the Assembly and unite them to carry out the immediate objectives of the RNS."

"Even though our standing in St. Petersburg has tangibly improved, I would like it to come nearer to the degree of influence we enjoy in Siberia and the Far East," the general noted.

Communists Call For Early Presidential Elections

LD2711152694 Moscow INTERFAX in English 1352 GMT 27 Nov 94

[FBIS Transcribed Text] Russia has "already realized" the necessity for early presidential elections and can elect him "out of reasonable farmers," Communist leader Gennadiy Zyuganov told the Third Congress of the Russian Agrarian Party today.

He said it was impossible to save just the agricultural-industrial complex if "the country is dying and people are being made drunkards of alcohol and spiritual illicit booze."

Zyuganov said he believed that the State Duma could not work efficiently as it had not authority for controlling either implementation of laws adopted by it or "even the government's expenditure."

Zyuganov said within the context of such a situation only early presidential elections could save the country. He said that "national-patriotic forces, including the Agrarian, Communist and Socialist parties, the Russian Federation of Producers, women's and veterans' movements and trade unions" ought to create an electoral bloc in order to prevent the "coming collapse of not only the economy but of Russia as a whole."

Agrarian Party Congress Looks To 'Consolidate'

LD2711165494 Moscow ITAR-TASS World Service in Russian 1056 GMT 27 Nov 94

[By ITAR-TASS correspondent Aleksey Filatov]

[FBIS Translated Text] Moscow, 27 Nov—"One of the main tasks facing the Agrarian Party of Russia is to consolidate the peasants and all the country's citizens who care about Russia's future. The ranks of the Agrarian Party should be expanded through the admission of workers from towns and villages, intelligentsia, high school and research institutes staff, and young people," Aleksandr Zaveryukha, a deputy chairman of the government of the Russian Federation, said today at the Agrarian Party's third congress.

He said consolidating the agrarian movement and attracting new supporters to its ranks were particularly important in the run-up to the upcoming elections, which the party should approach more united and reflecting the interests not just of the peasantry, but of all the strata of society. The call is topical because of late there have been signs of a split in the agrarian movement itself, with some leaders striving to establish their own parties and movements.

Expounding his views on the elections, Aleksandr Zaveryukha said he believed that the Agrarian and the Peasants' Parties, the Agrarian Union, the Association of Peasant (Private Farmers') Holdings and Agricultural Cooperatives, and the Trade Union of the Agro-Industrial Complex Workers could win more seats in representative bodies both in the center and in the regions, and thus be able better to tackle the task of steering the agro- industrial complex out of its present crisis. The deputy chairman of the government is convinced that "without protectionist measures from the government the economy of the countryside cannot be

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improved. The financial and credit policy has to be changed with the emphasis on raising the efficiency of production."

Advocating wholesale support for countryside goods producers, Aleksandr Zaveryukha reaffirmed the government's intention to continue reducing the purchase abroad of the foodstuffs that can be produced in Russia.

Aleksandr Nazarchuk, the minister of agriculture and food of the Russian Federation, echoed Aleksandr Zaveryukha's views on the need for state support for the agro-industrial complex.

Addressing the congress today, he noted that the peasantry should not stand on the sidelines of the political scene. Nazarchuk said he would lean heavily on the views of the Agrarian Party of Russia. The speaker said he was in favor not of revolutionary reforms in the agro-industrial complex, but of an evolutionary path of development of the agricultural sector, which is followed by all the developed countries.

At present, the countryside is suffering from the weight of various taxes. The minister believes that many of them should be abolished, leaving only one, a tax on land, which would make it possible to carry out expanded agricultural production.

Agrarians Favor 'Parliamentary' Power Struggle

LD2511165494 Moscow INTERFAX in English 1407 GMT 25 Nov 94

[FBIS Transcribed Text] Leader of the Agrarian Party of Russia, Mikhail Lapshin, declared that the Agrarian Party intends "to head the struggle for power" because Russian peasants do not expect any more that the president and the government will radically change the course of the reforms and will show interest in working people.

Addressing a plenum of the central council of the Agrarian Party of Russia on Friday [25 November] in Moscow, he indicated that the third congress of the party scheduled for November 26-27 is to determine the strategy and tactics of this struggle.

In an interview with Interfax Lapshin underlined that Russia's present authorities "have announced a ruthless war on peasants excluding them from participation in the representative and executive power structures." Despite this fact, Lapshin said, the central council of the Agrarian Party of Russia "is in favor of a parliamentary, not revolutionary way, of struggling for power at all levels—in the village and in the federal bodies."

The number of Agrarian Party members has increased from 5,000 to 250,000 people over two years of its existence, at present it has regional organizations in 78 regions, territories, and republics within the Russian Federation, Lapshin said.

FCS Reaffirms Intent To Sue Zhirinovskiy

LD2611173894 Moscow ITAR-TASS World Service in Russian 1620 GMT 26 Nov 94

[By ITAR-TASS correspondent Andrey Palariya]

[FBIS Translated Text] Moscow, 26 Nov—Federal Counterintelligence [FCS] Director Sergey Stepashin has no intention of renouncing his intention to sue Vladimir Zhirinovskiy, leader of the Russian Liberal Democratic Party [LDPR], who in the State Duma on 18 November accused Stepashin of collaborating with Israeli intelligence.

In spite of attempts by Aleksandr Vengerovskiy, deputy chairman of the lower house of the Russian parliament to persuade Stepashin not to sue Zhirinovskiy, ITAR-TASS learned from his entourage, Sergey Stepashin is convinced he has taken the right decision. All the more so in that, as he said, the case at issue is first and foremost "not a matter of retaliation to a provocation, but of punishing elementary boorishness," of which the LDPR was guilty in regard to staff of the counterintelligence service.

By way of example, Stepashin said that to date he has received more than 50 telegrams reporting decisions reached by the officers' assemblies of regional counterintelligence bodies, which regard Zhirinovskiy's statements as a direct insult to Federal Counterintelligence staff and the entire state security system.

Zhirinovskiy Notes LDPR 'Not To Blame'

LD2611172294 Moscow Mayak Radio Network in Russian 1600 GMT 26 Nov 94

[FBIS Translated Text] Liberal Democratic Party [LDPR] leader Vladimir Zhirinovskiy is serously counting on his party becoming the ruling party. Speaking live on Nizhniy Novgorod television, he emphasized that the LDPR is not to blame for what is going on in the country, since there are no LDPR representatives in any of the structures of power.

Announces Presidential Bid

LD2611183094 Moscow ITAR-TASS in English 1742 GMT 26 Nov 94

[By ITAR-TASS correspondent Viktor Troyanovskiy]

[FBIS Transcribed Text] Novgorod November 26 TASS—Russian ultra-nationalist Vladimir Zhirinovskiy said on Saturday [26 November] he would run for Russian presidency in the upcoming presidential elections.

Zhirinovskiy has arrived in Novgorod to encourage and inspire supporters of his Liberal Democratic Party of Russia (LDPR) running for seats in the city and regional legislative bodies of power.

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Addressing his voters at the dialog centre, Zhirinovskiy said his major opponents in the election race would most likely be former Russian Vice-President Aleksandr Rutskoy, Federation Council members Petr Romanov and Aman Tuleyev and economist Grigoriy Yavlinskiy.

Economic Issues

Kremlin Hosts Economic Conference

MK2611113094 Moscow NEZAVISIMAYA GAZETA in Russian 26 Nov 94 p 1

[Report by Sergey Zauralskiy under the "Reforms" rubric: "They Will Blow Off Steam Today. Conference on Economic Matters Takes Place Today in Moscow"]

[FBIS Translated Text] A conference entitled "Outlooks of the Economic Reforms in Russia" will take place in the Kremlin today. Top officials of the government, the Duma, and the president's staff are expected to discuss with delegates of the regions and industrial sectors the prospects for the country's economic development. The conference will be declared open by Boris Yeltsin. Next, Premier Viktor Chernomyrdin will present a report on the government's plans for the next three years, and the 1995 draft budget. Representatives of the State Duma and of a number of economic sectors are also expected to speak.

Experts regard today's conference as a good opportunity for the government to "sound out the possibilities," to find out what those gathered think about the budget under discussion, to see if it would be possible to appease its participants by some concessions of no fundamental nature within the framework of the current economic policy. The 600 conference participants will hardly be able to make any concrete decisions.

It is quite probable that the views to be aired by "people from the regions"—those engaged in production, and entrepreneurs, directors of enterprises—concerning some of the problems may prod those at the top into making decisions "in the right direction" which would demonstrate the unity of the authorities and economic entities. Most probably slated for repeal is the "harmful" edict that each enterprise can have only one bank account—which, according to presidential analysts themselves, does not take realities into account.

Government representatives may announce "concessions" which could be made to the agro-industrial and the military industrial complexes, the two most influential Duma lobbies. Gennadiy Kuranov, head of the macroeconomic forecasting department, told INTERFAX that "concessions may primarily be concerned with financing of the already approved military conversion programs being worked on, because no credits for these purposes have been envisioned in the draft budget."

Yeltsin Delivers Opening Address

LD2611095694 Moscow ITAR-TASS World Service in Russian 0757 GMT 26 Nov 94

[FBIS Translated Text] Moscow, 26 Nov (ITAR-TASS)—The all-Russian conference "The future of economic reforms in Russia" has started at the Kremlin today.

In his opening speech, Boris Yeltsin said that its main subject and principal task was "to prepare for a new year of developing reforms in Russia." In his words, new problems, no less complex than today's, are bound to arise in 1995. The ways of tackling them have to be mapped out today.

Analyzing the situation in the economy, the Russian Federation president said that "up until now it has been in a state of crisis." At the moment, this stage is nearly over and there are possibilities of introducing positive changes to the socio-political situation in the country. He said the situation was changing, though for the majority of Russia's citizens these changes were not very tangible. The president and the government can see that, with a certain effort on their part, it may be possible to put an end to the negative tendencies that have manifested themselves in recent years.

He then said that the government had drawn up a draft budget for 1995 and a concept of the development of economic reforms in the next three years, both of which constitute today's plan of action. Russia's future place in the world community depends on the implementation of this plan.

Therefore, "the time has come for comparing notes and defining the plan of action for next year," Boris Yeltsin said. According to the president, this can only be done collectively, through a joint effort of the legislative and executive power, taking into account the opinion of various regions and members of the Russian Federation, as well as of the country's businessmen. It was for this purpose that the conference has been convened.

Boris Yeltsin also gave a detailed description of the present situation in the country's economy. He said that 1994 had not been an easy year for the economy, but that there had been nevertheless a certain amount of progress. The president noted "comparatively moderate inflation" as a positive element. He said that the dramatic events on the currency market in October had not interrupted this tendency. "The October inflation spurt has aroused an extremely sensitive reaction in society. But at the same time it has shown that there is no turning back to high uncontrolled inflation," the president remarked.

This year, Boris Yeltsin said, "the savings of citizens and enterprises had started to grow, although of course this does not apply to everyone." And this is a serious social problem. When there are real savings, then there can be

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investment, a way out of the crisis and the prerequisites for an economic upsurge, the president believes.

The situation in production remains complicated, the head of state said. "Its slump compared with last year is very deep." A structural crisis is taking place, high-tech industry is in a difficult position, there are many problems in the social sphere and so far the economy is being stifled by mutual nonpayments.

Nevertheless, 1994 has not been lost for reform, Boris Yeltsin believes. Its main result is that Russia's economy has started operating according to the laws of the market. Therefore, the president added, "it is time to leave behind together with this year the period of retreats and compromise decisions." In 1995 "we shall attack, complete financial stabilization, and go over to the creation of the prerequisites for the restoration and the upsurge of the economy," he stated.

Yeltsin Speech Closes Conference

LD2611131794 Moscow ITAR-TASS World Service in Russian 1212 GMT 26 Nov 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 26 Nov—The all-Russian economic conference has shown that its participants are willing to continue developing economic reforms in Russia, Russian President Boris Yeltsin said in his closing speech.

The president especially stressed the need "to stick to the policy of slowing down inflation as much as possible, which is being implemented gradually, but persistently."

Boris Yeltsin said it was particularly important both to go on with the reforms, and at the same time, to reduce the cost of the economic transformations in social terms. According to the president, this was one of the main principles recorded in the president's 1994 message to the Federal Assembly. Next year this principle will become even stronger and "will be a measure of the efficiency of all state power bodies," Boris Yeltsin said.

More on Closing Speech

LD2611164694 Moscow ITAR-TASS World Service in Russian 1220 GMT 26 Nov 94

[FBIS Translated Text] Moscow, 26 Nov—The all-Russian economic conference has shown that its participants seek to further advance economic reform in Russia, Russian President Boris Yeltsin said in his closing speech.

The president believes that "a common understanding of the tasks of the present stage of reforms has been revealed." Formulating this, the head of state said that the first task is "to stick to the policy of slowing down inflation as much as possible, which is being implemented gradually, but persistently." The adoption of an anti-inflationary budget is an essential condition for this, he stressed.

The second task is to achieve a stable stabilization of production, and this should be done not through support for uncompetitive enterprises, but through the growth of new highly-efficient plants capable of winning and consolidating positions both in the country and abroad.

The president described as the third task the lowering of expenditure, the raising of the competitiveness of Russian production, and the protection of its interests both on the domestic and external market.

The fourth task, Boris Yeltsin continued, is to create a favorable climate for investment, both domestic and foreign, "on one condition: Maximum efficiency and rapid yield." So, "it must primarily be a matter of private investment, and state investment must only assist it."

The fifth task of the current stage of reform is, as the head of state defined it, "to prevent the collapse of science-based industry, to preserve and strengthen scientific and technical potential."

It is also necessary, the president continued, to impose basic order within the country so as to buttress legality and citizens' rights and safety, and to seek to ensure that tax is collected and arrears are eliminated.

Finally, Boris Yeltsin described the need to continue reform while, at the same time, reducing the social cost of the economic transformations as being one of the most important tasks at the current stage. It is this principle that is, according to the president, one of the main ones, enshrined in the president's message for 1994 to the Federal Assembly. Next year, Boris Yeltsin pointed out, that tenet will have even more force and "will become the yardstick of the effectiveness of the actions of all organs of state power."

The president of the Russian Federation dissociated himself from the proposals "to make up for the gaps, bad management, and sluggishness by printing money." Boris Yeltsin admitted that for three years the country had agreed to such methods to a certain extent. As a result, Yeltsin said, inflation is still there but the production is falling.

The president admitted that there were "certain drawbacks and a lack of coordination" in the draft budget for 1995 which the government submitted to the parliament. He expressed satisfaction with the fact that the State Duma had decided "to seek compromise together." Boris Yeltsin thinks that the "discussion of the budget should be an arena for joint fruitful work." The government, however, the president said, "should not wait for the results of the parliamentary debate—it should think again how to improve the budget, it should study carefully the arguments of all the parties, and seek sensible compromises."

At the same time, the president of the Russian Federation said, compromise is good only when the government and parliament are showing proper responsibility for the fate of the country.

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"I do not accept irresponsible and populist decisions, no matter who they come from," he said. "One should forestall yet another bout of inflation and a jump in unemployment. One should forestall a situation in which the economy will be a hostage to political ambitions in 1995," Boris Yeltsin said in conclusion.

Yeltsin Sends Foreign Credits Bill to Duma

LD2811103194 Moscow Mayak Radio Network in Russian 0900 GMT 28 Nov 94

[FBIS Translated Text] Russian President Boris Yeltsin has submitted a bill on state external loans and state credits for examination by the State Duma. A letter addressed to Speaker Ivan Rybkin says that the bill, which was drawn up jointly with the State Duma Committee on Budget, Taxes, Banks, and Finances, is a new version of a draft federal law on state external credits to Russia from foreign states that was rejected by Yeltsin.

Yeltsin Signs Foreign Investments Edict

MK2611121094 Moscow KOMMERSANT-DAILY in Russian 26 Nov 94 p 3

[Report by Vadim Bardin: "Foreign Investments in Russia. President Joins in Budget Process"]

[FBIS Translated Excerpt] Boris Yeltsin has signed an edict "On Additional Measures to Encourage Production Development, Including Those to Attract Foreign Credits." The crux of the edict is to facilitate foreign credits for Russia. Besides, judging from recent remarks by First Vice Prime Minister Anatoliy Chubays, this document paves the way to a range of decisions increasing the flow of foreign investments into Russia.

The edict's point is simple. The president has lifted customs duties on raw materials, equipment, and components imported to Russia by enterprises "for production development" under contracts concluded before 1 January 1993. Moreover, raw materials and equipment imported using credits to Russia from other countries and international financial organizations, are exempt from customs duties regardless of the length of contracts. [passage omitted]

Clearly, the main point of the edict is to emphasize the entitlements if one imports investment commodities under foreign credits. The president is trying to make it more realistic that Russia receives them in 1995, which is especially important given the hopes pinned on these credits in financing the budget. [passage omitted]

The first to be covered by the edict are most probably imports, covered by credits from the Japan Eximbank, of equipment and services for the rebuilding and modernization of the "KamAZ" engine plant and for purchasing equipment for a catalytic reforming system project at the Novo-Yaroslavskiy Refinery. The credits may total $350 million. The agreements are expected to be signed in the course of First Vice Premier Oleg Soskovets' visit to Japan which begins today.

Remarkably, judging from what First Vice Premier Anatoliy Chubays said at the second session of the Consultative Council for Foreign Investments in Russia, the establishment of a preferential treatment for foreign investments should not be limited to facilitating imports paid for by foreign credits. The next step should be the introduction of preferential import duties for products of Western firms participating in major (worth at least $100 million) projects in Russia.

Chernomyrdin on Conference, Nonpayments Problem

LD2611103194 Moscow ITAR-TASS World Service in Russian 0804 GMT 26 Nov 94

[FBIS Translated Text] Moscow, 26 Nov (ITAR-TASS)—The character of the present moment is determined by the fact that "one stage of economic transformations is replacing another," Viktor Chernomyrdin, the chairman of the Russian Federation Government, said today in his report at the all-Russian economic conference.

Next year, 1995, "will be the most important and the busiest year," he said. It depends on the consistency of our policy and the decisiveness of action "how soon the Russian citizens will have convincing and tangible proofs that the economy has overcome the crisis and the country has begun to develop steadily." Chernomyrdin said the main idea of the economic reform is to ensure this development and the entire concept of the new medium-term program for economic development is oriented toward this goal.

Viktor Chernomyrdin said "we must stop scaring ourselves with all those endless national disasters." "Of course, it will take us some time to overcome the slump in production, the poverty of many millions of our fellow-citizens, the threat of unemployment, arrears, and many other problems," he continued. However, there has been real progress, according to the head of government: Russia is learning the principles and laws of the market and is building a normal life for itself.

The chairman of the government said the clearest evidence of this was the trend that has emerged toward a stabilization in the volume of production, and the notable change in inflationary processes. Prices on the consumer market are expected to rise by 170-190 percent this year, he noted. Changes are also evident in the social sphere: Over the 10 months of this year, real incomes have risen by 18.5 percent.

This year's principal feature has been the formation of qualitatively new market institutions, Viktor Chernomyrdin continued. By 1 October this year, approximately 108,000 state and municipal enterprises in Russia had changed their form of ownership to public or

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private, and the nonstate sector had become dominant in the economy. Privatization has entered the new, monetary stage; however, about 50 enterprises have been declared bankrupt. The currency and stock markets have started to function, although not without problems.

The head of the government admitted that much of what was planned for 1994 has not been fully implemented. For instance, the slump in industrial output and the technological shrinking back of industry were not overcome; the transition to the new stage of privatization has not yet manifested itself fully in the attraction of investment; and work to draw up a legislative base to regulate the securities market and banking operations is behind schedule. Differences between people's incomes have again begun to widen.

Viktor Chernomyrdin noted that the incomplete nature of institutional transformations in the Russian economy were reflected above all in the worsening of the nonpayments problem.

Outlines 1995-97 Policy Ideas

LD2611113894 Moscow ITAR-TASS World Service in Russian 0905 GMT 26 Nov 94

[FBIS Translated Text] Moscow, 26 Nov (ITAR-TASS)—"There is only one way toward economic growth, and that is through learning to trust market forces, which means a stable ruble, low market-regulated interest rates, ownership guarantees, decreasing inflation and new methods of state interference in the economy, which will only be applied where the market-based self-regulation cannot be employed to the full."

This view of the situation has been presented by Viktor Chernomyrdin, head of the Russian Government. Speaking today at the all-Russian economic conference, he said that the main priorities selected by the government for 1995-97 included financial stabilization, private investment, and adherence to law.

Analysis shows that "we have all the prerequisites for the year 1995 to become a year of financial stabilization of the Russian economy, 1996 to become a year when the economy emerges from the recession and the foundation is laid for an economic upturn, and 1997 to become a year of an active policy of stable economic growth," the prime minister said.

"The implementation of this plan imposes very tight schedules on every working day of the government," the head of government said. "We are convinced that our plan is viable. If we fail to achieve this breakthrough today, tomorrow we shall be drawn even deeper into the quagmire of the chronic crisis and future attempts to get out of it will be even harder and more painful. The longer we remain in this quagmire, the longer we shall live in the depressing situation of latent unemployment."

The experience of the last few years shows, Viktor Chernomyrdin continued, "that we can only hope for success if we do not lose sight of the reforms' social orientation. In the final analysis, this is the most faithful and reliable guideline. So the government considers that the main aim of its social policy for the next three years is to stabilize people's standard of living and to make provision for its improvement, while lessening the burden of the crisis borne by the least protected strata of society."

Along with this, the main attention "will be devoted to stimulating the working and entrepreneurial activity of the economically active part of society." The government "will create conditions for salary increases by gradually lifting restrictions on the use of enterprises' consumption funds; it will pursue within the framework of tax reform a moderately tough tax policy with respect to high and extremely high personal incomes, stimulating their use for investment purposes; and it will make provision for an effective system of social and economic protection for hired workers."

The head of government went on to say that "a priority area of social policy is the stabilization of the financial and social sphere." With these aims, responsibility for the implementation of social policy will be demarcated between federal and local bodies of authority on the basis of corresponding agreements between the government and Federation components.

"In the next few years," the prime minister said, "we will be concentrating our efforts on three most important social problems: Firstly, implementing a program to help restore the population's savings, first and foremost for the elderly; Secondly, implementing housing reform and creating a real housing market; and Thirdly, the government intends to make serious progress in 1995-1997, working jointly with the regions, in tackling the difficult problem of transferring welfare provision from enterprises to local bodies of authority."

Prepares To Discuss 1995 Draft Budget

LD2611150594 Moscow ITAR-TASS in English 1455 GMT 26 Nov 94

[By ITAR-TASS correspondent Igor Belsky]

[FBIS Transcribed Text] Moscow 26 Nov (TASS)—The Russian Government is ready to discuss the draft budget for 1995 with the parliament and find compromises, Russian Prime Minister Viktor Chernomyrdin said.

Speaking at an economic conference in Moscow on Saturday [26 November], Chernomyrdin admitted that the draft budget is raw and needs to be corrected, both in its "debit and credit parts."

At the same time, the premier ruled out compromises on "key positions of the draft budget," including the budget deficit and ways to finance it. He stressed that continuing to finance it through Central Bank credits is a dead end.

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"If life forces us to draw credits, in a very limited amount, we will do so at a market rate," he said.

"We cannot agree to proposals, which, under the pretext of determining the priorities of structural policy, as a rule, boil down to the continuation of pumping money into the economy in order to prolong the life of ineffective industries, even though dear to us as a memory," Chernomyrdin said.

The prime minister said the draft budget for 1995 is "tough" and, perhaps, even "cruel," but "we will fulfil the budget, for this is the goal of the entire economic policy in 1995."

Cites Lack of Funds To Raise Wages

LD2611174394 Moscow ITAR-TASS in English 1727 GMT 26 Nov 94

[FBIS Transcribed Text] Moscow November 26 TASS—Russian Prime Minister Viktor Chernomyrdin has blasted the State Duma's recent decision to raise the minimum wage in the country as of January 1995.

Speaking at an economic conference in Moscow on Saturday [26 November], Chernomyrdin said that the idea itself is good, but "where are we going to get an additional 6.5 trillion roubles a month to carry it out?"

Almost as much or even slightly more will be needed for other industries, he continued. This decision would cost the state budget about 15-16 trillion roubles a month, he said.

This would "blow up the entire system of labour remuneration in the country" and "will inevitably lead to price rises, inflation, unemployment, speculations on the hard currency market and a sharp decline in living standards," the premier warned.

"We need to foresee the consequences of decisions we adopt. Nothing can be obtained out of thin air," Chernomyrdin said.

Shumeyko on Economic 'Close Cooperation'

LD2611210494 Moscow ITAR-TASS World Service in Russian 0925 GMT 26 Nov 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 26 Nov—The Federation Council "is in favor of a balanced and detailed concept of reforming the country," Vladimir Shumyeko, speaker of the upper chamber of the Russian parliament, said today at an all-Russian economic conference held in the Kremlin.

He pointed out: "In our opinion, there is only one way to outline the prospects for the economic reforms in Russia and that is through strategic planning of the economic reform process." At the same time, in the view of the Federation Council chairman, "a scenario [as received] approach toward the development of the future economic state of affairs in Russia still prevails."

Vladimir Shumeyko considers that the government, while implementing the reforms, should closely cooperate with the legislative powers and the subjects of the federation. He also thinks that it is necessary to create an integral system of economic legislation and this is where it is so important for the federal and regional levels of authority to coordinate their activities.

Panskov Provides Budget Reform Timetable

LD2611161194 Moscow INTERFAX in English 1424 GMT 26 Nov 94

[FBIS Transcribed Text] Russian Finance Minister Vladimir Panskov told the economic conference in the Moscow Kremlin that a national budget and taxation reform is to be completed next year or in 1996. In Panskov's view, forecasts of budget revenues will be more accurate once the reform has been completed.

Instead of revamping its taxation system, Russia must work to "strengthen the existing system of tax collecting," Panskov said.

Moves to strengthen the federal budget must conjugate with moves to ease business taxation which will encourage business enterprise, and the country's taxation system must be "simple and understandable in the taxpayer's eyes."

In the next two to three years new approaches will be found to financial relations between the federal government and the constituent parts of the Russian Federation and a way will be found to equalize the financial potentials of the Russian provinces. That, according to Panskov, will enable the government to draw up real budgets. Today, Panskov said, pressure exerted on it by various lobbies made the federal government "borrow from Peter to pay Paul."

On Importance of Tax Collection

LD2611181294 Moscow ITAR-TASS in English 1640 GMT 26 Nov 94

[By ITAR-TASS correspondents Anna Melnikova and Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow November 26 TASS—There is only one way to fulfil the 1995 budget—to increase the collectibility of taxes, Russian Finance Minister Vladimir Panskov said.

Speaking at an economic conference in Moscow on Saturday [26 November], Panskov said that the 1994 budget is unrealistic because its credit part is unrealistic. He pointed out that only half of the planned taxes will be collected by the end of the year.

The 1995 budget envisages adequate financing for all industries, including the military and defence spheres, he said.

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Paramonova Calls To Stabilize Commercial Banks

LD2611182294 Moscow ITAR-TASS in English 1755 GMT 26 Nov 94

[By ITAR-TASS correspondents Anna Melnikova and Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow November 26 TASS—The existing system of commercial banks in Russia needs to be stabilised as soon as possible, acting chairwoman of the Russian Central Bank Tatyana Paramonova said.

Speaking at an economic conference in Moscow on Saturday, Paramonova said that over 20 per cent of commercial banks operated in the red in the first nine months of the year. About 200 banks have no enough means on correspondent accounts to meet their customers' demands and about 100 banks may lose their licences altogether, she said.

Paramonova said she was optimistic about the possibility of covering the budget deficit through selling short-term government bonds in 1995.

Fuel Prices Increase 4.3 Percent in November

LD2511174394 Moscow INTERFAX in English 1602 GMT 25 Nov 94

[FBIS Transcribed Text] Russian fuel producers hiked basic prices 4.3 percent in the first half of November. Since early this year, according to the Russian Government's Center for the Study of the Economic Situation, inflation and fuel prices have gone up 2.6 times.

Petroleum product prices grew most of all over this period, the cost of unrefined oil was up 4.9 percent. Electricity tariffs were virtually unchanged.

Coal prices were 4.9 percent up (a 2.8-fold growth since the beginning of the year), with the maximum rise (8 percent) at East Siberian collieries.

Experts note the sizable rise in the price of crude in mid-November by 5.7 percent (1.5 percent in October, 2.5 times since the start of the year). One tonne of crude in Russia costs an average of 83,000 rubles, the highest price (158,000 rubles) in the Far East, the lowest (59,000 rubles) in Urals.

Meanwhile, there was only a fractional (0.4 percent) growth in gas prices—7000 rubles per 1000 cubic meters. However, gas bills were boosted (6.3 percent) by producers in the Volga region, where it sold at 37,000 rubles.

The quickest growing price on the fuel market was that for lubricants—14.5 percent, the lowest—those for bitumen (11.9 percent).

Experts recall that retail gasoline prices grew faster than the prices charged by producers in the first half of November—19.7 and 12.3 percent respectively. Gasoline was sold to retailers at 429 rubles per liter and shipped by producers at 147 rubles per liter.

Views Differ Greatly Toward Agriculture Funding

MM2511085594 Moscow IZVESTIYA in Russian 22 Nov 94 p 4

[Part one of IZVESTIYA investigation under the rubric "Trillions for Countryside: Where Did They Go? Who Did They Go To? What Did They Go On?": "1. The Money Is There, But Just Try and Get It"—passages within slantlines published in boldface]

[FBIS Translated Text] There are two widely known and directly opposing viewpoints on what is now the very acute problem of funding Russian agriculture.

The first: The agrarian lobby, in obtaining incredible funds to pour into the "black hole" of the agricultural sector, is robbing all the rest of the people.

The second: The peasant in Russia is still financially crippled and has no chance of getting onto his feet, competing with his foreign colleagues, or feeding the country.

A fierce clash between these viewpoints is taking place at the top—during discussion of the budget and in newspaper and platform polemics. At the bottom, on the ground, the situation looks different, although no less acute and painful.

Countryside Drowned in Tidal Wave of Credit

IZVESTIYA received a call from a reader, Moscow engineer Avet Tarumov, who proposed: "Let us fund private farmers with your newspaper's help, bypassing banks and commercial structures, that is to say middlemen. You publish the addresses and we—50-60 people—will club together to form one farm, another group will form another farm, and then we will divide the profit."

We explained to Avet that unfortunately private farming—like all agriculture, incidentally—is by and large not a profitable but an unprofitable business and that peasants are not creditworthy or suitable clients for any structure, whether commercial, banking, or independent. He did not believe us. Private farming is profitable all over the world, everybody talks about its good prospects, so why not invest money in a good prospect?...

Apologists for the collective farm system believe, on the contrary, that if money is to be invested in the countryside, this should be done only in large collective farms with a developed infrastructure—where there will certainly be profit.

Who is right and what is happening in actual fact?

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Here is the current picture in one of Russia's most agricultural oblasts—Rostov. This year the local countryside received centralized credit resources worth just over 131 billion rubles [R]. This is an entirely typical sum for the regions, bearing in mind their territories and specific characteristics. Another R38 billion was allocated on top of that. The loan interest rate to peasants went down from 213 to 173 percent.

Money is being offered to anybody who wants it, irrespective of the form of management. But strange as it may seem, there are no takers.

On the desk of Vladimir Sulimenko, first deputy general director of the oblast administration's agriculture department, our correspondent saw a pile of telegrams containing...loan refusals. Both private farmers and collective farms are refusing them. So, there is no money, but there is...money. It is just that they cannot get it. The point is that the local "Agroprombank," which buys centralized loans from the Central Bank, issues them only if secured on property: Otherwise it would go bankrupt, because the repayment of loans already issued is virtually nil. But the peasants now have nothing to mortgage. They have already mortgaged everything possible (almost down to their fountain pens).

This is the situation that has developed very recently. Back in spring and summer, when the peasants had not mortgaged themselves to the hilt, there was a real scrap for centralized loans (the people on the Don are a fiery lot). The Cossacks, for instance, formed a square outside the oblast administration building in order to obtain R30 billion in loans for their communities. The agriculture department was forced to go back to distribution under the old methods—between rayons. In the department itself there were serious clashes between loan applicants. Threats were made to both the distributors and the competitors....

By fall passions had abated. There was nothing, we repeat, to mortgage. The agriculture department tried to redirect loans intended for private farmers to collective farmers, but they too responded with a mass refusal. Thirty-eight million rubles, with which so much could be done, is just hanging around.

This is not a situation peculiar to Rostov. Judging from our correspondents' reports, it is common to the Russian countryside. Thus, in the other Russian breadbasket—Krasnodar Kray—$6 billion for loans to private farmers remains unclaimed. Tatyana Vasilyeva, chairman of the local AKKOR [Association of Russian Peasant (Private) Farms and Agricultural Cooperatives], reported that private farmers have absolutely nothing to mortgage. She intends either to offer these loans to collective farmers or to return them to the center. The experience of their Rostov neighbors suggests that a collective farm will not help matters and that Kuban collective farms probably have no greater chances of taking out secured loans.

The countryside has drowned in a tidal wave of credit given the current conditions of obtaining and managing it.

Waiting for a Decision From Above

But even what has been obtained has proved to be disproportionate to peasants' assets. The secured loans taken out have become the subject of the most bitter conflicts between banks and peasants.

The agricultural year's results are already obvious. In no way do they favor the agricultural producers' repayment of loans taken out. Not because the harvest is too small but because the original finance terms so dictate. Given current prices and the specific nature of the agricultural business, where the cycle of the rate of turnover of money is much longer than, for instance, in trade.

The peasant is known to be an unreliable and unsuitable client for a banker. Which is confirmed by current settlements.

Neither Kuban, nor Rostov, nor Siberian, nor Chernozem or Nonchernozem peasants are now able to repay loans. **Throughout Russia as a whole the situation indicates that the entire earnings from the sale of agricultural products during this year will total R30 trillion, and that R3.5 trillion are left after deducting production costs. To pay back creditors with this money, without even leaving themselves anything for development and farm maintenance, is inconceivable.**This year the countryside's total debt in loan interest alone totals around R10 trillion.

In Rostov Oblast peasants' debts for loans and interest total R262 billion. There is no chance of paying them off. It would seem that a banker need not worry about this because the loans were issued against a mortgage. Konstantin Rostovskiy, manager of Rostov Oblast Agroprombank, told debtor peasants: Soon I will be after your livestock to sell it—to settle your debts.

But this promise is groundless.

There is not only a precedent but also a mechanism for a bank to sequestrate mortgaged property and sell it.

In the current conditions mortgaged property is absolutely nonliquid everywhere. Banks do not have the appropriate specialists for this conflict situation. Just the margin on these loans is paid monthly by debtors. Therefore it was also in the banks' interests to rely on state intervention rather than to have their own wrangles with peasants. Not to mention the social consequences of such action. But nobody thought that something like this could happen. Everybody was waiting for a decision from above about the deferment of loan payments and the state's participation in clearing them.

And it came. The other day such a decision was adopted. The government decree "On Measures To Improve the Financial Position of Agro-Industrial Complex Enterprises and Organizations" first of all, as if just for the record, obliges agricultural producers of all forms of ownership to find funds to clear their centralized loan debts. Although all this is pure rhetoric. Anybody who could find the funds to clear his debt would certainly first

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of all find the funds to obtain a new debt, but there are no such people. But the decree's main point is the instruction to the Central Bank to defer agricultural producers' repayment of centralized loans. They, the peasants, are instructed merely to pay off half the loan interest. The other half will be paid off by the budget.

The peasants should be pleased, but no rejoicing voices can be heard. The reason is understandable. Even half the loan interest totals R4.5 trillion. Profit from the sale of agricultural products this year, let us recall, is R1 trillion less. So even with this boon **our countryside is going completely bankrupt this year.**

So far we have been talking only about centralized loans, which, as we can see, are also turning into a palpable drain on the federal budget. But issuing loans is only part of funding Russian agriculture. The other part is turning into increasingly intricate subjects and intrigues.

But before moving on to actual budget appropriations (direct and outright) to the countryside, it is worth considering another credit line associated with purchases of agricultural products for federal and regional stocks. Here the situation is no less paradoxical and acute.

Peasants Will Feed Neighbors, Not Russia

This year a Russian Government directive instructed the Finance Ministry to channel R4.6 trillion from the funds provided in the federal budget into creating food stocks, of which R2.8 trillion at the disposal of Russian Federation components' executive branch organs is to be channeled into creating regional grain stocks and R1.8 trillion is to go to the Russian Agriculture Ministry for purchasing fruit and vegetable products and potatoes for federal stocks, as well as sugar beet and oilseeds for the production of sugar and vegetable oil for federal needs. A budget loan of R1.8 trillion, issued to the "Roskhleboprodukt" joint-stock company for the purchase of grain from last year's harvest, is also envisaged.

Let us explain the point of this. "Roskhleboprodukt," having become a half-autonomous organization, has remained the state's main agent for purchasing grain for the federal stock by virtue of its other half's connection with the state. It receives from the state a budget loan (at 10 percent annual interest last year) in order to purchase the grain needed by the state, repay the loan, and stay in profit as a commercial organization. All this runs smoothly on paper. The grain purchased last year did not enable it to survive commercial conditions. The money to pay back last year's loan did not arrive from the provinces. Nonpayments have hit this structure too.

This year the state decided to let "Roskhleboprodukt" resolve its internal problems. It allocated a loan conditional on last year's debt being paid off. But "Roskhleboprodukt" was unable to obtain money from the regions right up until the fall. What could it do? It began trying to get new money from the state for purchases. There are very substantial grounds for this. There is grain from the new harvest. But the peasants do not want to sell it against promises or any other bills of exchange.

For the first time in many years a situation has arisen whereby the state is unable to guarantee itself even a minimum grain reserve for its really essential needs. Suffice to say that even now the "motherland's granary" has received only around 2 million of the necessary 11 million tonnes of grain.

Of course, the situation is unusually frightening for the state too. Which is why it met its agent halfway, allocating R460 billion "new" money for grain purchases. "Tveruniversalbank" has also become involved in the state's problem, allocating R100 billion for these purposes.

But this is the interesting thing. As in the case of centralized loans for private farmers, the situation here has improved little after the financial injection. At least 20 of the 77 regions that have received money for purchases have not actually started purchasing grain. The first explanation—money is being "siphoned off" in the provinces, although the "Roskhleboprodukt" corporation explains that this is impossible: They say that money can be taken from an account only after a grain purchase receipt has been produced. Anyone remotely familiar with current business practice in Russia will, of course, explain how it is possible to get around this barrier to "siphoning off" money. In our view the main thing is that in this case too we encounter an effect common to the funding of the countryside—**the actual fact that money has been allocated and its size do not necessarily mean there is a real return on investment in the provinces.**

Of course, "Roskhleboprodukt" is in dire financial straits. According to calculations by its specialists, a loan of at least R3.7 trillion was needed to purchase the amount of grain required by the state this year. The government directive provided for half this sum, but even this was not given.

The peasant has now been put in the difficult role of being his people's breadwinner. It is much more advantageous for him to sell grain abroad, including to former Union republics—these are offering real money, prepayment, and self-collection. While Russia's state agent is itself on starvation rations, and has been forced to deal with the problem of last year's nonpayments and to convince grain producers of its reliability. Unless his state supports him, **the Russian peasant will be forced to use the current harvest to feed his neighbors rather than his own people.**

But how can the state support its agent if its expenditure on the countryside is becoming increasingly excessive for the budget pocket?

Especially as the contents of this pocket, or rather their distribution, are a mystery even to their owners. Not only the peasant, who is expecting help from the state, is

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in the dark as to what he can count on, but also the person giving funds from the treasury does not have a very clear idea of how much he intends to give, how much he has given, and what kind of return he will get.

Military & Space Issues

Yeltsin Orders Reserve Officer Draft

LD2611180794 Moscow INTERFAX in English 1708 GMT 26 Nov 94

[FBIS Transcribed Text] Russian President Boris Yeltsin has ordered military reserve officers to be drafted in 1995 and 1996, his press service reported.

A decree which came out on Saturday [26 November] orders calling up during the coming two years 18,000 graduates of higher education institutions who have undergone military training during their studies and have been put in the reserves with officers' ranks. Eight thousand of them will be serving immediately after graduation.

The future draftees will include 4,000 aviation engineers, 3,000 telecommunications specialists and 3,000 doctors, the press service said.

Yeltsin Appoints Weaponry Company Chief

LD2511164294 Moscow INTERFAX in English 1440 GMT 25 Nov 94

[FBIS Transcribed Text] Reliable sources told INTERFAX that the Russian president appointed Aleksandr Kotelkin, 40, to head the Rosvooruzheniye state-owned weaponry company. Kotelkin used to manage the Board on Foreign Cooperation in Military Technology in the Foreign Economic Links Ministry.

He supervised the negotiating and signing of $1.86 billion worth of arms supply contract in 1993-94, of which with Hungary for $800 million, Angola for $300 million and Kuwait for $760 million.

Kotelkin is known as a supporter of a systems approach to expansion of the Russian arms export in the interests of military hardware developers and manufacturers.

Experts emphasize that by making this appointment Yeltsin proved again that he relies on professionalism and professionals in the top echelons of power.

Kotelkin has a university degree in technology and diplomacy, has extensive contacts abroad and knows several languages. Informed sources say that he is a respected figure in business, military and political communities of numerous countries.

His predecessor in Rosvooruzheniye was General Viktor Samoilov.

Grachev on Attacks Against Defense Ministry

OW2811105494 Moscow Russian Television and Dubl Networks in Russian 2347 GMT 26 Nov 94

["Exclusive" interview with Army General Pavel Sergeyevich Grachev, Russian Federation minister of defense who is shown in military uniform, by an unidentified reporter "held last Saturday"; place not given—recorded; from the "Aty-Baty" program]

[FBIS Translated Text] Will Pavel Grachev remain the minister of defense? It seems that this was the only issue of concern to public opinion last week. Our program assessed what was happening objectively. This exclusive interview with Pavel Sergeyevich Grachev, which was held last Saturday, continues this topic.

[Begin recording] [Reporter] During the past month the Ministry of Defense and you personally have experienced quite a lot. Tell us, what gave rise to the fact that during the past month there were coincidentally such events as the antiministry and anti-Grachev wave in the press, the president's and commander in chief's assessment of what was going on, the stand of the Duma committee for defense issues, and then the parliamentary and Duma hearings themselves. Why these events? What was all this related to? What do you think?

[Grachev] Of course this is a broad issue. However, to put it simply these events are probably linked to the fact that 1994 is ending and the beginning of 1995 will be the decisive year of the preelection campaign for the post of president as well as for seats in the Federal Assembly. On the other hand a number of events were planned and carried out in accordance with the plan for training our armed forces during 1994.

Until recently there actually was no such activity in the plans of the State Duma as hearings of the minister of defense. I must say that this wave—the hearings, the reports, and voting— were essentially planned by two people. It was done on instructions of course, that is understandable. It was Mr. Yushenkov, chairman of the Committee for Defense, and, to my great regret, Nikolay Sergeyevich Stolyarov, a good aviation general in the past.

Now what was this done for? Again, I personally think that this is part of the preelection campaign, the struggle for future power on the part of various factions and movements. Why do I think this? So far separate factions and movements have not been able to come to grips with the fact that the Army has been depoliticized. In other words, it does not represent the interest of any of the parties and its main task, as I have already said previously, its main political task is to insure the country's security. Here the person of the minister of defense becomes an issue since as he has readily declared, he has an even attitude toward any party since they are all officially and legally registered and since the deputies of both chambers were elected, or at least a part of them were elected by the people. We work evenly with any

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party of any persuasion if they are officially recognized. We have nothing to do with those who are not officially recognized.

However for some reason these people which I have mentioned and who represent corresponding parties consider that at the present time the Army should be on their side. No, at least this will not happen while I am the minister of defense. Now there is also a law on defense which prohibits participation in political activities. Under my leadership the Russian Army is strictly fulfilling all laws, strictly adhering to the Constitution, and it will not permit itself to be drawn into political games. The principle of a single line of command [edinonachaliye] exists in the Army just as there is a principle of strict subordination. As the minister of defense I will honestly and conscientiously serve the state and unquestioningly fulfill all orders given by my commander Boris Nikolayevich Yeltsin, the supreme commander in chief and president of Russia.

[Reporter] What did you yourself feel when you attended these hearings and conferences? Did you experience some kind of anxiety, or what? Were you thinking that it might take such a turn, and how did you prepare yourself for it?

[Grachev] I repeat, all these rumors came and are coming from a small handful of people. You understand? I went to these hearings confidently because in principle I knew the situation in the assembly hall. After all I have aides who follow the situation, who talk with the deputies.

[Reporter] So you were sure of yourself?

[Grachev] Well, I was not so sure of myself but I was sure that I was not a criminal, nor a thief, nor a loafer. I was confident and ready to answer any question as to what had been done by myself and my subordinates during the last two years or more—not just the petty details, but the large, strategic picture. I was sure that all in all, we were taking the right path for building the armed forces. Of course, we have some deficiencies, and I said so in the Duma. So in principle, I was not afraid—what is there to be afraid of?

[Reporter] The month is ending and so is the year. It was a difficult year and probably a fairly difficult month for you. So tell me, what is next?

[Grachev laughing] What next? Next, I intend to command the armed forces since I have received the full support of my senior commander Boris Nikolayevich, president and supreme commander in chief. To sum up, I have received the full support from all the commanders of districts and fleets. I received support in those districts which I visited during the year where I personally met servicemen. I visited quite a few of these districts—the Moscow, Volga, and North Caucasus districts, the Transcaucasus group of forces, the Transbaykal and Far East Districts, and the Pacific Fleet. As you can see, this is almost all of the armed forces. I got full support there. Moreover, I got full support during this month through telegrams and letters which I received from military and labor collectives. You know, practically all the heads of administrations supported me. [end recording]

Grachev's Order on Removal Ruled Illegal

LD2611092094 Moscow ITAR-TASS World Service in Russian 0731 GMT 26 Nov 94

[By ITAR-TASS correspondent Andrey Fomin]

[FBIS Translated Text] Chita, 26 Nov—The military court of the Chita garrison today declared illegal Russian Defense Minister Pavel Grachev's order on the removal of Lieutenant General of Aviation Anatoliy Vasiliyev, the commander of the air force in the Baykal Military District, and Major General of Aviation Vladimir Zagitov, that air group's chief of staff, from their posts and their early retirement from the Army.

The legal investigation into the two high-ranking officers' complaints against the leaders of the country's military department had lasted more than a month.

It is well-known that the first cause of the conflict was a memorandum to Pavel Grachev from Colonel General of Aviation Petr Deynekin, the commander in chief of the Russian Air Force, in which Generals Vasiliyev and Zagitov were named as those directly to blame for the crash of an AN-12 military transport plane near Chita on 5 August and the deaths of the 47 people on board.

Duma Seeks Military Budget 'Openness'

LD2611154194 Moscow INTERFAX in English 1424 GMT 26 Nov 94

[FBIS Transcribed Text] Chairman of the State Duma's Committee on Defence intends to press for more openness on military budget. Sergei Yushenkov has told Interfax that "the closure of Russia's military budget is the main cause of arbitrary rule, corruption, and abuses in the armed forces since it is generals who decide as they please rather than by low how much to spend and where."

In Yushenkov's opinion, members of parliament have little leverage to oversee the defence budget's execution. The point is that the military department submits to parliament a budget with only five expenditure items: army and fleet maintenance, military hardware contracts, money on development and research, capital construction and pensions to servicemen. "A U.S. war budget lists 700 expenditure items, which makes it possible to control the expenditures effectively", Yushenkov remarked.

He reported that his committee had prepared more than 100 proposals on military expenditures. "If the house endorses at least half our proposals, this will be a great achievement in control over the execution of a military budget for 1995," he said.

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As another instrument of parliamentary control over the armed forces, Yushenkov referred to parliamentary hearings on various aspects of military policy. However, to make hearings more effective, it is necessary, in his opinion, to pass legislation on holding officials responsible for false testimony or for hiding information from parliament. According to Yushenkov, such a bill is being drafted. He voiced hope that the State Duma would pass it.

Military Computer Sale Eases Economic Strain

MK2511125094 Moscow SEGODNYA in Russian 25 Nov 94 p 2

[Report by Yuriy Golotyuk in the "Defense Capability" column: "The Russian Army Is Threatened With a Loss of 'Electronic Intellect.' The Defense Ministry Offers Its Computers to Civilian Buyers"]

[FBIS Translated Text] A trade show entitled "Computer Technology on Orders From the Russian Federation Armed Forces" opened in Moscow 23 November. It features products by 10 leading domestic firms supplying advanced hardware and software to the Russian Army. Experts say that their quality measures up to analogous foreign products of both "yellow" and "white" assembly. [meaning assembled in Asia and Europe]

Major General Viktor Bazhenov, chief of the Information and Automatization Directorate of the Russian Federation Armed Forces, who visited the exhibition, explained to SEGODNYA's correspondent that the serial computer samples presented there are designed for continuous operation both under normal conditions and during a "special period" (i.e., in wartime).

The show features such exhibits as computers equipped with special protection devices to be used on "tracked mobile installations and railways flatcars" (they are used by the Strategic Rocket Forces); computers waterproof and protected against pitching and rolling (for the Navy), and so forth. Computers designed for the Army have an unprecedented service life: up to 10-15 years; they also have "the most powerful antivirus protection programs."

True, the developers themselves stress that their products are "sterile in the sense of safety." And therefore they are just indispensable for the power structures to protect state secrets; banks, to ensure their own interests and those of their clients; Russian embassies abroad; and generally all those who work with any secrets.

"By attracting the attention of other departments to computer products manufactured to our orders, we also pursue selfish interests," admitted Lieutenant General Aleksandr Ivanov, first deputy chief of Russian Federation Armed Forces Communications. According to him, an increase in nonmilitary computer sales would substantially reduce their prices and support the producing firms financially. The Defense Ministry itself, Ivanov said, "has now become a bad partner for the manufacturers: Owing to the Army's financial problems, we have not been able to make settlements on some deliveries since March; the situation is fraught with a degradation of the domestic computer industry." "To maintain normal combat efficiency of the Armed Forces, the Russian Federation will need at least 50,000-70,000 various computers (for comparison, the U.S. Army already has ordered approximately 100,000 computers for 1995), while in reality it has money for no more than 10,000. If the proposed Army budget is approved, we shall not be able to get even this," Lt. Gen. Ivanov said.

Military Demonstrates New Computer Systems

MM2811113794 Moscow IZVESTIYA in Russian 24 Nov 94 p 2

[Report by Viktor Litovkin: "Military Reveal Their Computer Secrets"]

[FBIS Translated Text] This was the first time that the Defense Ministry and the Russian presidential Committee for Computerization Policy had invited journalists to an exhibition of computer systems and computer technologies that have been supplied to the Russian troops.

Major General Viktor Bazhenov, chief of the Russian Armed Forces Computerization and Automation Directorate, said during an exclusive interview with IZVESTIYA that the computer technology on display here is unique. It has all been produced solely at Russian enterprises, although some pieces of equipment contain around 60-70 percent imported components.

Zelenograd's Kvant Plant gives the Army a three-year guarantee for its computers. Moreover the computers have to operate for 5,000 hours continuously. The slightest malfunction is eliminated within two days no matter how far the unit with the damaged computer may be from the enterprise, and delayed repairs incur a fine. What is more, the equipment must be reliably protected against infiltration by all kinds of foreign intelligence.

Gen. Bazhenov told me that the equipment conforms to these requirements. Only Russian series-produced computers operate at the command posts of the General Staff, the Strategic Missile Forces, Defense Ministry main directorates and districts right down to large formations. Today they are also receiving advanced work stations with Pentium-586 chips.

'MAKS' Space Shuttle Ready in 'Near Future'

MM2811095594 Moscow Russian Television Network in Russian 1412 GMT 21 Nov 94

[From the "Science Today" program: Report over video entitled "MAKS—The Space Program of the Future"; figures in brackets denote broadcast time in GMT in hours, minutes, and seconds]

[FBIS Translated Excerpts] It is obvious right now that the times of the construction of huge cosmodromes with

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vast exclusion zones are drawing to an end. Environmental restoration measures are becoming more and more expensive. The cost of placing payloads in space by means of traditional carriers is also rising.

The [Russian] Energiya-Buran and [U.S.] Space Shuttle systems have made it possible to reduce these costs. This is why the whole world is today taken with the idea of creating a new winged reusable space system. However, most of the projects envisage implementation around 2010 or 2020. Only the Russian-Ukrainian project "MAKS" could be implemented in the near future.

"MAKS" is based on an existing aircraft—the Mriya. It could be stationed at conventional top-class airports. And it makes it possible to cut the cost of placing payloads in space by a factor of 8-10.

[G.Ye. Lozino-Lozinskiy, general designer of the "Molniya" NPO (Science and Production Association), identified by caption] Our "MAKS" system has no rival. This is not just the opinion of Lozinskiy, the promoter of this system. We have acquainted British Aerospace, a rather prestigious British company, with our calculations and our design. They had their own design of a reusable winged transport system. However, they agreed with our calculations. And they concurred that it is necessary to begin building winged transport systems with the "MAKS" system, and carried out a presentation of our "MAKS" system in the European Space Agency.

Not just Britain, Germany has also shown interest in the "MAKS." It is beyond question that the West's support is needed. But apart from Russia, Ukraine is also taking part in the project. [passage omitted]

In view of our current situation, the implementation of this project may turn out to be a remote pipe dream. However, specialists claim that the development of "MAKS" could be concluded within five to six years.

Media Issues

Yeltsin, Duma Clash Over Media Law

MK2611125094 Moscow KOMMERSANT-DAILY in Russian 26 Nov 94 p 3

[Report by Sergey Tsekhmistrenko: "Poltoranin Has Accepted Yeltsin's Challenge to Verbal Duel"]

[FBIS Translated Text] The State Duma's passage of the Law "On State Support for Mass Media and Book Publishing in the Russian Federation" in the third reading has provoked a verbal duel between Boris Yeltsin and the Duma Information Policy Committee headed by Mikhail Poltoranin. Yesterday the committee issued a statement condemning the president's criticism of the law and demanded that Yeltsin apologize to the deputies.

Phrases like "the president has again let somebody down" are increasingly being used by Russian politicians by way of explanation of Yeltsin's actions. This is precisely how yesterday's statement interpreted the president's words that the law will lead to a "return to monopoly of opinion" and is a "hidden form of political censorship." The committee believes that Yeltsin simply did not read the document, making his assessment on the basis of other people's judgments. In this connection it recommended that he personally deal with the law, and see for himself that such severe criticism is unfair, whereupon he should strictly discipline the misinformers and apologize to Duma members.

It is hard to expect that Yeltsin will listen to the deputies' opinion and change his position. It is more likely that if the law passes the Federation Council, the president will veto it. True, there is an unambiguous promise on this count by the president himself, who said that he will take all requisite measures to "protect Russian democracy against the threat" of control on the part of Poltoranin's nonprofit National Mass Media Development Foundation (which is the focus of struggles today). To show that he does not use words lightly, Yeltsin has apparently begun the fight against monopolism: According to INTERFAX, a draft edict on reforming TV and radio broadcasting is already lying on his desk. It finally rejects the idea of merging the two state TV channels, envisioning instead the transformation of Ostankino as public TV, financed from sources other than the budget. It will constitute a mixed joint stock company whose controlling block of shares will be held by Ostankino, the remaining stock going to independent private shareholders. The second channel—the Russian State TV Company—will remain under state control.

This move will no doubt be welcomed by the democratic camp. It is difficult to say, however, whether it will offset the democrats' negative reaction to Yeltsin's recent veto of another mass media law adopted by the State Duma which prohibited state power bodies from founding newspapers. Thereby, in the run-up to the upcoming elections, the president placed a powerful weapon into the local authorities' hands, for some reason choosing to ignore the restoration of political censorship.

Issues Information Administration Edict

MM2511141594 Moscow ROSSIYSKAYA GAZETA in Russian 24 Nov 94 First Edition p 1

[Edict No. 2096 of the Russian Federation president "On the Formation of the Russian Federation Presidential Staff Information Administration," signed by Russian Federation President B. Yeltsin and dated 22 November 1994]

[FBIS Translated Text] With a view to improving the structure of the Russian Federation Presidential Staff and reducing its numbers I decree that:

1. The Information Administration of the Russian Federation Presidential Staff shall be formed on the basis of the Information Support Administration of the Russian

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Federation Presidential Staff, the Russian Federation Presidential Press Service, and the Russian Federation Presidential Staff Center for Up-to-the-Minute Information.

2. The leader of the Russian Federation Presidential Staff shall submit the draft Statute on the Russian Federation Presidential Staff Information Administration and ratify the structure and staff of this Administration, based on a maximum figure of 70 units.

3. Personnel being released shall be discharged in line with current Russian Federation legislation.

[signed] Russian Federation President B. Yeltsin

[dated] The Kremlin, Moscow, 22 November 1994.

Officials Submit Media Finance Decree to Yeltsin

LD2511135194 Moscow INTERFAX in English 1120 GMT 25 Nov 94

[FBIS Transcribed Text] The presidential decree on reforming the television service has been drafted, cleared with appropriate officials and submitted to Boris Yeltsin, a Moscow source told INTERFAX.

He says that under the draft the Ostankino television and radio company would be transformed into a public-owned Russian service which would not be financed by the state. It would be a joint stock society in which the present Ostankino would own a controlling interest and private investors own the remaining shares.

The other Russian channel, the VGTRK [All-Russian State Television and Radio Company], would remain in the hands of the state.

The source said that the decree had been drafted over the last few days. He did not say by whom.

Comments Vary on TV Station Merger

MM2511123194 Moscow ROSSIYSKIYE VESTI in Russian 24 Nov 94 p 1

[Commentary by Nikita Vaynonen: "The State Air Waves Cannot Support Two Channels but Millions of Television Viewers Will Not Tolerate Air Waves Like That"]

[FBIS Translated Text] The few words that Russian President Boris Yeltsin uttered about the intention to merge the two state TV and radio companies into one have provoked a wave of statements and reactions. Of course the first to get excited were journalists. First to speak out was Oleg Poptsov, chairman of the All-Russia State Television and Radio Broadcasting Company. He reacted to the president's intention, as INTERFAX reported, "with surprise." Then the whole collective of Russian Television and Radio appealed to the president not to sign the merger edict. I am not going to speculate on where the information about the merger originated: At the president's press service your ROSSIYSKIYE VESTI correspondent was immediately told that there is no draft edict of that kind and anyone who wanted to find that out could easily do so. However, Russian Television reporters felt compelled to make extensive use of their own station to air their gloomy thoughts and sentiments.

Ostankino was more restrained. Nevertheless, in an interview with ITAR-TASS, Grigoriy Shevelev, the company's first deputy chairman, expressed full solidarity with his colleagues at the All-Russia State Television and Radio Broadcasting Company. The plans to merge the two television companies have also been condemned by Yegor Gaydar and some other democratic leaders. Concern has been expressed by the interregional coordinating council of television workers' unions and of course by Anatoliy Nazeykin, chairman of the communications workers' union, who did not miss this latest opportunity to make an unwise tactless remark, namely, about the nonfulfillment of the financial commitments to the communications workers who distribute the television programs.

Even Duma Chairman Ivan Rybkin was given no peace by reporters. The speaker "likes variety" on television. It was perhaps only Mikhail Poltoranin, chairman of the Duma Committee on Information Policy and Communication, who reacted "with understanding" to the idea of amalgamating the two companies. And even he stated in an interview for INTERFAX, albeit with no logical connection with the aforementioned idea, that "in government today it is not so much the president as his staff who have begun to stifle the reforms." The only thing that remained unclear here was this: Is the merger of the companies anti-reform or pro-reform?

Passions were not cooled even by the statement by the president's press secretary, Vyacheslav Kostikov, who said that the decision on the reform of the state television service will not be adopted hastily but will take into account the opinions of the two companies' collectives and that Boris Yeltsin is studying various plans closely so as to make a decision based on "civilized relations between the state television service and the authorities."

It was left to the president himself to defuse the situation. He expressed regret that "some journalists have begun to make hasty comments on a decision which has not yet been made" and said that "at the present moment models of reorganization are being sought but it isn't known which one it will be yet."

I am not sure that this is the proper way for my colleagues to behave—that is, to use what you have at your disposal, namely the press, to create a fuss about your own interests. Even the problems over Grachev and the draft budget did not generate such vast quantities of TASS and INTERFAX reports as this.

It is striking that what many of the reactions to the president's stated intention of finally resolving the fate of the state television companies show first and foremost

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is the pursuit of a personal aim but least of all the main issue that they should be addressing, namely, the interests of the viewers. Will a merger of the companies make things better or worse for them? What type of reorganization is most likely to produce something good for all of us, that is, a cultured, civilized, and professionally and ethically mature state television service? These questions have been overshadowed by considerations of a political and mercantile nature.

Will a merger of the companies help to save state resources? Yes, if you reduce broadcasting time too. The saving from the reduction of staff will be barely perceptible and ultimately wasteful because there is also the threat of the loss of skilled staff whose replacement will be even costlier. The cost of reporters accounts for 15-20 percent of broadcasting costs, the rest comes from the cost of distributing the signal, a cost which the communications workers have no reason to reduce (by replacing retransmission stations with satellites). But there has long been a threat to reduce the broadcasting system and even the premier fell for this, although fortunately not for long, when he agreed that our broadcasting system is too fat and needs to lose some weight.

Will the amalgamation of the companies help to improve their management, raise the professional level of broadcasting, and avoid the extremes of commercialization? Hardly. Despite the criticisms levelled at the All-Russia State Television and Radio Broadcasting, it is a cohesive team. Merging it with the other one will most probably reduce work quality. Why not leave the Russian television and radio system in state hands and float Ostankino with state participation, especially since commercialization is already well under way there and cannot be reversed, but with the state's involvement this trade in the air waves can be made civilized.

Of course, there is no reason to preserve the two state television and radio companies simply because that how is things have "developed historically." There is no other country apart from Russia which has two state companies, some countries have one but when its role is reduced to that of an official mouthpiece the result is usually unutterable tedium. The future lies not with a state television service but with a public-legal television service [obshchestvenno-pravovoye television] which will exist on the taxpayers' money or will earn its own keep and will thus be dependent not on the money bags and the functionary but only on the viewers' taste and the law. That option could bring that aim closer, mere mechanical amalgamation will not.

But I do not think that the advocates of the status quo are right either. The amalgamation, they say, will help to "narrow the scope for supporting the democratic transformations and reforms" and will lead to a "monopoly of the state electronic mass media" and the "loss of the room to maneuver in various political situations, such as the forthcoming elections." Different things have been confused here—two companies and two federal channels. We do not need two state companies. But two federal companies, on the other hand, are clearly not enough! Turning the second channel into a mishmash of regional broadcasting means not just destroying the channel itself but also profaning the very idea of a common information area. The whole of Russia is not going to watch a succession of local broadcasts which are inevitably inferior in quality to central broadcasting and are incapable of arousing general interest. A general Russian channel, in whose programs local news and events could be given broader coverage and become of general significance, will be far more successful at showing the best regional output than a specialized "provincial" channel. The idea of regionalizing [regionirovaniye] a whole channel is clearly the product of abstract political considerations with no thought for professional realism.

The idea that the merger of the All-Russia State Television and Radio Broadcasting Company and the Russian State Television and Radio Company [Ostankino] will reduce the room for maneuver in the election campaign is also debatable. Are we seriously to believe that if people did not understand you on the Russian state channel they will understand you better on Ostankino? Or that the two television companies belonging to one state should have different views on the different aspects of life? The problem is not to do with the quantity of state companies but with the fact that all channels should observe the law and not repeat the pre-election mistake of 1993 when journalists were virtually excluded from taking part in commenting on party programs and when the air waves were farmed out to populism and demagoguery, when instead of an honest debate with its partners each bloc did its own thing, singing its own praises and insulting the rest.

The television service must not become a hostage in a political brawl. Aleksandr Yakovlev, leader of the Federal Television and Radio Service, was undoubtedly right when he saw precisely that danger in what is happening now. In his opinion, "they want to twist the president around their little finger."

That is not going to work.

Federal Assembly

Republic Security Council To Examine Chechen Crisis

LD2811112294 Moscow ITAR-TASS World Service in Russian 1026 GMT 28 Nov 94

[By ITAR-TASS parliamentary correspondent Pavel Kuznetsov]

[FBIS Translated Text] Moscow, 28 November—The Security Council of the Russian Federation will today discuss events in Chechnya, Ivan Rybkin, Security Council member and State Duma speaker, has announced. He said that "the situation is complex. Regardless of what some people are saying, the Chechen

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republic is an integral part of the Russian Federation and a subject of the Federation." "We would like very much for local clans to come to agreement and find peace," the speaker said. "Unfortunately, he said, things are not that simple there. Certain people have adopted a tough stance and chosen a tough variant of settling the conflict" in Chechnya, he said.

Zhirinovskiy: Increase Russian Battalion in Bosnia

LD2511134494 Moscow INTERFAX in English 1120 GMT 25 Nov 94

[FBIS Transcribed Text] The Liberal Democratic faction in the State Duma will raise the question of increasing the strength of the Russian battalion in Bosnia, the LDP leader Vladimir Zhirinovskiy told the electorate in Nizhniy Novgorod on Thursday. He also called for reinforcing the Russian battalion in order to give it the capability to repel NATO aggressors on the land, on the sea and in the air.

Zhirinovskiy said the Russian ambassador in the UN Security Council had refrained from using the right of veto when the decision was made to authorize bombing raids on Bosnia and thereby opened the bomb bays of NATO planes above the heads of Bosnian Serbs.

"Russia's current foreign policy is pro-American and harmful to Russia's national interests," Zhirinovskiy said. He said that "the United Nations has been turned into an American punitive tool, which orders NATO's armed forces to bomb, dispatch punitive forces, blockade and starve people in various parts of the globe".

"Where there is the United Nations there is war, the thunder of marching American troops, blood and death", Zhirinovskiy said. He believes that the State Duma must qualify NATO's bombardments as the beginning of World War III.

Zhirinovskiy said that his faction in the State Duma is beginning to form a group of generals and senior officers to be sent to the area of the fighting in former Yugoslavia to help the Serbs in their holy war against the aggressors. Zhirinovskiy said that the group would include Marshal Yazov, Generals Varennikov, Achalov, Ustinov, Filatov and others.

Duma Urges Prevention of Military Intervention in Balkans

LD2511194294 Moscow INTERFAX in English 1711 GMT 25 Nov 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] The State Duma urged Russian President Boris Yeltsin and the Foreign Ministry to "use more actively all political and diplomatic means in the UN Security Council in order to prevent foreign military intervention in ex-Yugoslavia going as far as exercising the veto right."

The State Duma's statement on the aggravation of the Yugoslav conflict was worked out by the Duma's Committee on International Affairs and was approved on the whole at the morning meeting of the parliament's lower chamber today.

The State Duma urged all countries concerned to refrain from any actions which could destabilize the situation in the Balkan region more. The State Duma said it was ready to contribute to achieving political settlement in the region by all means.

Leader of the Liberal Democratic Party of Russia Vladimir Zhirinovskiy urged parliamentarians to address the president and raise the issue of Russia either leaving the UN or increasing the presence of Russian peacekeepers in the Balkan region.

Duma to Discuss Military Spending

LD2511133894 Moscow INTERFAX in English 1120 GMT 25 Nov 94

[FBIS Transcribed Text] The Russian State Duma carried the motion of Aleksandr Mikhaylov, Communist, to hold a session behind closed doors to discuss the defense spending in the federal budget draft.

Open sessions will be held on this issue every Thursday in December.

The Duma also supported the motion of Igor Bratishchev, Communist, under which it will hear shortly a report by a senior government official on the federal budget draft and reports by defense, agriculture, public health, education and welfare ministers and the chairman of the State Industry Committee on the budget of their ministries.

A motion by Mikhail Burlakov, Liberal Democrat, that the State Duma hold hearings on the situation in Chechnya, a constituent part of the Russian Federation, was carried without voting. Duma Chairman Ivan Rybkin told parliament that the Security Committee was prepared to submit a report on this issue in the first half of December.

Finance Ministry Unable To Finance Defense Complex Debt

LD2511162594 Moscow INTERFAX in English 1439 GMT 25 Nov 94

[FBIS Transcribed Text] Russia's Finance Ministry at present lacks the financial means to finance the debt to the defense complex which totals 3 trillion rubles, Finance Minister Vladimir Panskov said.

Speaking in the State Duma on Friday [25 November], he pointed out that "under existing settlement procedures about 1 trillion rubles can be considered as ordinary accounts payable which can be settled in 1995 with current financing, the issue of the remaining 2 trillion rubles remains open."

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According to Panskov, this issue "is to be solved by means of revision and clarification of the 1995 defense order, keeping results of its 1994 execution in mind and by searching for opportunities to draw additional financial resources in the course of executing the 1995 budget."

Panskov also reported that wage debts to state employees will be paid off before the end of this year. As of the middle of this year this debt totaled 1.8 trillion rubles, it is now down to 600 billion rubles.

As of early 1995, the debt on state investments, Panskov said, could be about 5-6 trillion rubles. The program of investments for 1995 provides for servicing 5.3 trillion rubles of this debt.

The debt on treasury bonds issued in 1994 will be about 4.5 trillion rubles. Panskov said that it would be serviced primarily by reducing enterprises' tax burden and by issuing new treasury bonds.

Duma Deputies 'Deeply Divided' Over Draft Budget

LD2511135594 Moscow INTERFAX in English 1120 GMT 25 Nov 94

[FBIS Transcribed Text] State Duma deputies are deeply divided over the 1995 budget draft.

According to INTERFAX's Sociopolitical Modeling Service, whereas on 21 November, 19 percent supported the draft, 16 percent were undecided and 65 percent rejected it, on 25 November the percentage of those undecided dropped to 11, while that of the draft's supporters increased to 23 percent and opponents to 66 percent.

The service analysts believe that the budget has no chance of passing in the first reading in its present form.

Finance Minister Presents Draft Budget To State Duma

LD2511164094 Moscow INTERFAX in English 1439 GMT 25 Nov 94

[FBIS Transcribed Text] Non-issuing sources of financing next year's budget deficit will run at Rbl 72 trillion or 7.8 percent of GDP, Russian Finance Minister Vladimir Panskov said.

Presenting the 1995 draft budget in the State Duma on Friday [25 November], he said the government plans to borrow $12.7 billion from international financial agencies which will bring the country's overall foreign debt to $130 billion.

Panskov said the main focus would be made on longer and medium term credits as a way of improving the structure of the external debt and schedules of deot repayment which the country is able to meet.

Seventy-five percent of all borrowings are expected to be in the form of so called untied credits which help finance the deficit and set up foreign exchange reserves.

Panskov said the government also planned to issue more than Rbl 70 trillion worth of securities and bonds to raise funds to cover the deficit. He put the amount of expected revenues from the sale of short-term bonds at Rbl 13 trillion and that the total issue of government bonds at some Rbl 60 trillion.

Referring to government estimates, Panskov said both companies and individuals had free money to buy government securities and bonds. Commercial banks alone import more than $15 billion worth of cash every year, he said.

The minister singled out several main tasks to ensure the issuing of government securities. These include a widening of regional securities' markets, attraction of savings by dealer banks and longer-term securities and bonds.

Finance Minister Panskov Supports 1995 Budget

LD2511143794 Moscow ITAR-TASS in English 1249 GMT 25 Nov 94

[By ITAR-TASS correspondent Ivan Novikov]

[FBIS Transcribed Text] Moscow November 25 TASS—Russian Finance Minister Vladimir Panskov has described the 1995 budget as realistic from the point of view of getting revenues by the state. He spoke today at the State Duma, where the first hearing of the draft law on the state budget took place.

According to Panskov, next year they expect the revenues to reach 134.3 trillion roubles, which makes 14.5 per cent of the gross domestic product. "We have not set ourselves the task to overstate the budget revenues. On the contrary, we are, perhaps, too cautious about them," the minister stressed.

The government promises to get 8.9 trillion roubles from privatization. Panskov pointed out that the maximum deficit of the federal budget is set at 72 trillion roubles for 1995, and it will be covered without using the printing press, only through issuing state securities and getting small foreign loans.

Touching upon the settlement of the problem of non-payments, Panskov said that the debt was now standing at 600 billion roubles, while at the beginning of the year it was 1.8 trillion roubles. The minister added that the wages debt, as well as other kinds of debts, will be paid before the end of this year.

He stressed the need for improving the tax system, without which, in his opinion, it is impossible to meet budget commitments. The finance minister said that the trend towards the growth of tax revenues had become noticeable during the past several months.

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Panskov rejected the idea about the need for the monetary reform, put forward by representatives of the communist group in parliament. "Weighty reasons are needed for it, which I do not see," he said.

The finance minister answered questions of members of the State Duma and asked them to vote for the draft budget after first reading.

Duma Committee Chairman Says Draft Budget 'Unrealistic'

LD2511174894 Moscow INTERFAX in English 1637 GMT 25 Nov 94

[FBIS Transcribed Text] The Russian State Duma's Budget Committee opposes discussion of the 1995 budget draft in the first reading because the draft seems unrealistic.

Committee Chairman Mikhail Zadornov said at a news conference Friday [25 November] that the government forecasts of the production decline and annual inflation were obviously too low.

On the other hand, he said, the expected budget revenue seems unduly high. Zadornov could not understand how the government proposed to obtain 8.5 trillion rubles from the privatization program. As a result, he said, the budget deficit is certain to amount to at least nearly 10 percent rather than 7.8 percent of the gross domestic product.

Zadornov also regarded the expected revenue of 42 trillion rubles by selling government securities as unrealistic.

In his view, this amount could not be sold with monthly inflation of 1 percent. He is convinced that the government will not be able to do without Central Bank credits and the resulting increased inflation. Zadornov said that most members of his committee believed it was necessary to set up a conciliatory commission, which would include government officials, in order to iron out the differences before starting the first reading of the budget draft.

Budget Committee Deputy Chairman Aleksandr Pochinok, Russia's Choice, said that he supported the concept of the federal budged which was fairly balanced and sound. He described the budget as more realistic than the preceding one.

Pochinok emphasized that the budget made it possible to reach the overriding goals of reducing the inflation rate to 1 to 2 percent a month, discontinuation of inflationary Central Bank credits to finance the budget deficit and consolidation of the national currency. Pochinok added that conciliatory commissions usually enable lobbyist to expand the budget spending.

Zadornov told the State Duma that his Committee objected did not believe the budget draft could be passed in the first reading. He said that eight out of 16 parliamentary committees had called for rejecting the draft in the first reading and eight were undecided.

Duma Official on Possible Approval of Draft Budget

LD2711164894 Moscow INTERFAX in English 1614 GMT 27 Nov 94

[FBIS Transcribed Text] The economic conference which took place in the Kremlin on Saturday [26 November] may consider its task accomplished if it prompts the consiliatory commission to reasonable compromises.

The statement was made on Sunday in an interview with INTERFAX by Deputy Chairman of the Duma Budget Committee, Gennady Kulik.

Kulik, the Duma deputy from the Russian Agrarian Party and former Soviet Agriculture Minister, believes that the Agrarian faction and its allies in parliament will not approve the government-proposed draft 1995 budget unless major corrections are introduced in it. The agrarian deputies insist on the preservation of the state support for the agro-industrial complex at the level of 1994 (18.1 trillion rubles).

Agrarian deputies also insist on special credits for the agro-industrial complex with the difference cover from the budget.

Regional Affairs

Chechen Opposition Weekend Attack on Groznyy Detailed

Opposition Forces Blockade Town

LD2511130094 Moscow ITAR-TASS World Service in Russian 1213 GMT 25 Nov 94

[By ITAR-TASS correspondent Andrey Palariya]

[FBIS Translated Text] Moscow, 25 Nov—Units of the Interim Council today started active operations and have virtually blockaded Groznyy. ITAR-TASS was informed of this by Zaindi Choltayev, head of the administration of the Interim Council. He said that all the main routes and approaches to the Chechen capital are already fully under the control of the opposition.

The Military Committee of the Interim Council is in charge of the operation.

Opposition Appoints New Prime Minister

LD2511130394 Moscow ITAR-TASS World Service in Russian 1219 GMT 25 Nov 94

[By ITAR-TASS correspondent]

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[FBIS Translated Text] Moscow, 25 Nov (ITAR-TASS)—Umar Avturkhanov, leader of the opposition to Dzhokar Dudayev, appointed a new prime minister today.

Zayndi Choltayev, head of the Council's administration, told ITAR-TASS that Salambek Khadzhiyev, a 52-year-old academic who was at one time USSR Minister of the Petrochemical industry, has been appointed to this post.

He was instructed to form a new Cabinet of Ministers and present it for confirmation by the Provisional Council.

Groznyy Airport Attacked

LD2511165194 Moscow ITAR-TASS World Service in Russian 1550 GMT 25 Nov 94

[By ITAR-TASS correspondents Andrey Palariya and Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 25 Nov (ITAR-TASS)—Troops of the Chechen Provisional Council, supported by aviation and armored vehicles, moved forward to initial positions and are preparing to storm Groznyy which may happen in the next few hours. Ruslan Martagov, press secretary of the Provisional Council, told ITAR-TASS this at 1840.

According to him, subunits of the opposition took control of the main highways and approaches to the Chechen capital and are at a heightened level of combat readiness.

ITAR-TASS was informed by Zayndi Choltayev, head of the Provisional Council's administration, that opposition helicopter subunits struck at Groznyy airport at noon today and destroyed one helicopter and two military transport aircraft, which, he claimed, were used to deliver ammunition and weapons to the Chechen capital. The opposition says there is a possibility that the 50 field mortars recently purchased by Dzhokhar Dudayev in Lithuania were aboard the aircraft.

In this connection ITAR-TASS was told by the Provisional Council leadership that the opposition is perplexed as to how and on whose instructions military aircraft were able to make such flights through Russia's airspace, of which Chechnya is a component part.

Dudayev Accused of 'Open Terrorism'

LD2511173394 Moscow INTERFAX in English 1602 GMT 25 Nov 94

[FBIS Transcribed Text] The Chechen opposition Interim Council accused Chechen President Dzhokhar Dudayev of "open terrorism against the population of Groznyy and of robbing Groznyy residents."

The Interim Council circulated a statement today saying that "bandit formations are seizing transport means and jewelry from civilians thus trying to keep the agonizing regime alive." The opposition said everything stolen was being transferred to the Defense Fund.

The Interim Council urged the governments of all countries to "put efforts in order to prevent mass murders of civilians in Chechnya and robbing them and to protest infringing on civil rights."

The Interim Council said it laid hopes on "the president and the democratic government of Russia with which Chechnya is linked by the historic destiny."

New Opposition Attack on Groznyy Starts

LD2511183594 Moscow ITAR-TASS World Service in Russian 1815 GMT 25 Nov 94

[FBIS Translated Text] [No dateline as heard]—The opposition began the storm of Groznyy at 2110 hours [1810 GMT], ITAR-TASS learned from the leadership of the Chechen Interim Council.

Groznyy Attack Awaits Reinforcements

LD2511203494 Moscow ITAR-TASS World Service in Russian 1909 GMT 25 Nov 94

[By unidentified ITAR-TASS correspondent]

[FBIS Translated Text] Moscow, 25 Nov—Forward units of the Chechen opposition this evening (at 2110 Moscow time), as planned, began an operation to take Groznyy.

ITAR-TASS learned from military sources in the Interim Council that opposition subunits have been set the task of seizing Groznyy and occupying the presidential palace by morning. The subunits of the first wave, which are continuing their offensive against the town, are awaiting reinforcements, which, as admitted by the same sources, are being held up. Nevertheless, it is reported that the attacking forces are quite sufficient to storm Groznyy.

According to information that has been amplified by ITAR-TASS, the air strike on Groznyy airport that took place at noon resulted in the destruction of two Il-76 military transport aircraft and a Tu-154 aircraft. They had been used to airlift Dzhokhar Dudayev's mercenaries and weapons to Groznyy from one of the Baltic republics.

At the same time, the ITAR-TASS correspondent in Groznyy reports that the situation in the Chechen capital is outwardly calm. The local television is broadcasting its usual programs, including a documentary film entitled "Chechnya's wildlife" and a selection of commercials for holiday trips.

Broadcasts from Ruslan Khasbulatov's peacemaking group are going out in parallel on a different channel. Its announcers are claiming that Groznyy will be captured during the next few days.

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Dudayev Announces General Mobilization

LD2611035194 Moscow ITAR-TASS World Service in Russian 0320 GMT 26 Nov 94

[By ITAR-TASS correspondent]

[FBIS Translated Text] Groznyy, 26 Nov—A State Defense Committee [Gosudarstvennyy komitet oborony] has been set up in Chechnya to repulse opposition forces. The mobilization of all men aged 17 and over liable for military service has been announced. President Dzhokhar Dudayev reported this to ITAR-TASS in an exclusive interview tonight. He stressed that military commandant's offices have begun to function in the republic. Chechnya's law enforcement agencies are obliged to investigate all crimes committed in conformity with wartime conditions. (Extended version to follow). [ITAR-TASS note]

Groznyy Presidential Palace Said in Flames

LD2611092394 Moscow Radio Rossii Network in Russian 0900 GMT 26 Nov 94

[FBIS Translated Text] According to reports from Groznyy, the forces of the Chechen opposition have captured the buildings housing the republic's Interior Ministry and State Security Committee. Battles are continuing in the center of Groznyy. The presidential palace is on fire. The forces of the Interim Council began storming the city on Friday evening.

Terrorist Acts at Moscow Airports Feared

LD2511204994 Moscow INTERFAX in English 1844 GMT 25 Nov 94

[FBIS Transcribed Text] Chechen Foreign Minister Shamsuddin Yusef said he feared that "Chechens are saving land-air missiles for terrorist acts in the Moscow airports."

He told an Interfax corespondent today that these would not be terrorist acts on the state level. He said this would be a "private initiative of the Committee of Relatives of Those Perished for Chechnya's Independence."

Yusef explained his statement by the fact that "not a single time did Chechnya fire back when Russian military helicopters had been attacking it during three days."

Yusef said the Chechen Foreign Ministry was now holding consultations with the Islamic leaders "on their request." However, he declined to be specific on the consultations. He also declined to say whether Islamic volunteers, who, as Groznyy affirms, kept the right for making independent decisions if the situation in the republic deteriorated, had arrived in Chechnya.

In the interim, the Chechen Foreign Ministry sent an official notification to the administration of the Stavropol Region demanding that the region's territory be not used for basing Russian military helicopters "attacking Chechen territory."

The Chechen Armed Forces Chief Headquarters said that from 10 to 15 Mi-8 and Mi-24 military helicopters were based in the Stavropol Region.

Pre-Dawn Artillery Strike Reported

LD2611032494 Moscow ITAR-TASS World Service in Russian 0244 GMT 26 Nov 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 26 Nov—Forces opposed to Dzhokhar Dudayev again made a strike against Groznyy before dawn today. At 0315 Moscow time (0115 GMT) [as received], the city awoke to powerful rapid fire from numerous artillery pieces and to the howling of sirens. The explosions ceased after a few minutes.

Duty units of the Chechen government forces have refused to comment on the incident, saying that "martial law is in operation in the republic, and information may be given to the media, especially the Russian media, only through official channels."

Dudayev on Moscow's 'Sanctioning Air Raids'

LD2611042394 Moscow ITAR-TASS World Service in Russian 0349 GMT 26 Nov 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 26 Nov—Chechnya is starting to live according to wartime laws. In an exclusive interview with ITAR-TASS tonight, Dzhokhar Dudayev, president and commander in chief of the Armed Forces of Chechnya, said that a State Defense Committee has already been set up. It has set about shifting the republic's economy onto military rails. The mobilization of all men liable for military service between 17 and 26 years of age has been announced. Military commandant's offices have started to function in many districts while, in others, the heads of the law enforcement agencies have been entrusted with their functions. Investigative bodies and the courts are obligated to deal with all crimes in conformity with wartime conditions and with all the consequences that follow. [sentence as received]

Assessing the damage caused to the republic as a result of the attacks by opposition forces, Dudayev used the words "very insignificant." At the same time, he again accused Russia of "openly intervening militarily" and "sanctioning barbaric air raids on civilian economic installations."

Regarding the prospect of armed conflict in Chechnya, Dudayev said that "there is no weapon in the world capable of breaking the spirit of a people that have risen to fight for their freedom and independence." He expressed his confidence that "the true sons of Chechnya

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and the Caucasus will stand like a solid cliff in the path of the aggressors and will defend the young Chechen state."

Opposition Tanks Reach Presidential Palace

LD2611070694 Moscow ITAR-TASS World Service in Russian 0640 GMT 26 Nov 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 26 Nov—The storming of the Chechen capital continues. Opposition forces are attacking from the north and northeast of the city. Combat is now moving toward the central part of Groznyy. At approximately 0900 (0600 GMT) six T-72 tanks from the opposition forces broke through to the presidential palace.

There are no staff in the building apart from the guards. Snipers belonging to government forces have taken up positions on the roofs of houses nearby. There is no information as to President Dzhokhar Dudayev's current whereabouts. The television is not showing programs, and the radio is broadcasting no reports. Mostly ethnic music is being broadcast.

The storming began today at 0630 Moscow time (0330 GMT) after a massive artillery bombardment. Fighting is under way in the streets with the use of armor and artillery.

Situation in Groznyy Updated

LD2611090394 Moscow ITAR-TASS World Service in Russian 0825 GMT 26 Nov 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 26 Nov—The attempt by the forces opposed to Dzhokhar Dudayev to take the presidential place in the center of Groznyy by storm, has, to all appearances, not been successful. By 1100 hours (0800 GMT) the opposition's armored vehicles which had broken through to the center, had retreated to the north-eastern outskirts.

Two APCs, a tank and a self-propelled artillery mount, which had been disabled, remained in front of the palace. In the main headquarters of Chechnya's armed forces it is claimed that they belonged to the attackers. There are numerous fatalities but their precise number has not yet been established. Local skirmishes are continuing in various parts of the town.

According to preliminary data of the main headquarters of the republic's armed forces, the opposition forces have already lost four tanks and two Russian tank crews have allegedly already been taken prisoner. There are no reports on the losses of the government troops.

The whereabouts of Dzhokhar Dudayev and other Chechen leaders is unknown. The president's office and home telephones are not being answered. Groznyy's vital facilities are functioning normally. However strange this may seem, little markets and commercial kiosks are continuing to operate in many places.

Opposition Claims Capture of Presidential Palace

LD2611141694 Moscow ITAR-TASS in English 1405 GMT 26 Nov 94

[By ITAR-TASS correspondent Andrey Palaria]

[FBIS Transcribed Text] Moscow 26 Nov (TASS)—The presidential palace in Groznyy was captured by a detachment of Ruslan Labazanov (an opposition leader) on Saturday [26 November] afternoon.

ITAR-TASS learnt at the Provisional Council (opposing President Dzhokhar Dudayev) that fighting in the Chechen capital virtually stopped by 16:30, Moscow time (13:30 GMT). Sporadic shooting is heard in some districts of the city.

The headquarters of the Provisional Council situated in the Znamenskoye village reported that government troops are retreating in the direction of the village of Oktyabrskoye, a suburb of Groznyy.

According to Labazanov, there were no Chechen leaders at the presidential palace. Whereabouts of Dudayev is still unknown. However, sources from the Chechen opposition confirmed that the block where Dudayev's family lives, is sealed off by seven government tanks.

ITAR-TASS has no information from the Groznyy authorities about the latest developments in Chechnya.

Opposition Controls 'All Major Installations'

LD2611170794 Moscow ITAR-TASS World Service in Russian 1555 GMT 26 Nov 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Translated Text] Moscow, 26 Nov—By 1800 the joint forces of the Chechen opposition had taken control of all major installations in Groznyy, including the Interior Ministry, Department of State Security, and television buildings.

The presidential palace, which was attacked this morning, is on fire and there are no Dudayev supporters guarding the approaches to it. Provisional Council subunits, ITAR-TASS was informed by the council's leadership, are surrounding the town center and blocking all approaches to it.

In the Provisional Council's assessment the situation in Groznyy, which is now virtually taken, remains complex, since a few detachments of Dudayev's supporters on the town's outskirts are firing on the Provisional Council's subunits and attempting to win back their lost positions.

The main task of the Provisional Council's forces tonight will be to keep control of the town center, the same source stated.

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Russian Paratroops Expected in Groznyy

LD2611175694 Moscow INTERFAX in English 1651 GMT 26 Nov 94

[FBIS Transcribed Text] Interfax's correspondent in Chechnya was told at the headquarters of the Chechen armed forces that Russian paratroopers were expected in Groznyy in the early hours of Sunday, November 27. The Russian military planned an air drop on Groznyy because "the opposition proved unable to neutralize the government forces," the Chechen general staff said.

As of 1800 on Saturday, some 2000 volunteers arrived from the Chechen countryside in Groznyy. More are arriving.

"In two days we must do away with the bands and liberate the sacred Chechen land from the Russian invaders," President Dzhokhar Dudayev told Interfax. "The fate of the free Caucasus will be decided in Chechnya."

The chief-of-staff of the North Caucasian Military District Lieutenant-General Vladimir Potapov held a telephone conversation with Interfax Saturday. Speaking from the city of Rostov-on-the-Don, Potapov said that not a single private or officer of the Russian armed forces took part in the escalated fighting in Chechnya. Fighting escalated over the past 24 hours.

Chechen Spokesman Announces Counterattack

LD2611180094 Moscow INTERFAX in English 1707 GMT 26 Nov 94

[FBIS Transcribed Text] Having suppressed the opposition's attack, Chechnya's governmental forces started a counterattack, representative of the Chechen president in the main staff of Chechnya's armed forces Musa Merzhuyev reported to INTERFAX.

According to Groznyy, as many as 20 armored vehicles, three tanks, and one APC were seized by the governmental forces in the course of hostilities on the streets of the capital. Merzhuyev also reported that a total of 120 people, 58 of them are Russians, were captured in Groznyy. In his words, Russian servicemen are members of tank crews.

The main staff of Chechnya's armed forces has no information about the losses which both parties have sustained in the course of these hostilities. However, Merzhuyev reported that the governmental forces "have lost several people killed and several wounded."

Merzhuyev also said that at present hostilities are being waged near the building of the security department and the TV tower. In his words, the governmental forces have lifted the blockade of the TV tower.

He also reported that the city was seriously damaged after the air raids of helicopters and assault aircraft. Many houses are in fire. The gas pipeline near the railway station is burning now.

Merzhuyev said that home guards, Dzhokhar Dudayev's supporters, are coming up to the capital. In addition, Groznyy awaits reinforcement units from Kabardino-Balkaria.

Meanwhile, head of the information group of the Russian president Nikolay Nosovets reported to INTERFAX that leader of Chechnya's Provisional Council Umar Avturkhanov addressed the population over the national television on Saturday and reported that the Provisional Council had taken power in Chechnya.

Dudayev Says Operation Against Him Failed

LD2711205794 Moscow Radiostantsiya Ekho Moskvy in Russian 1900 GMT 27 Nov 94

[Quotation marks denote recorded passages]

[FBIS Translated Text] After yesterday's fighting, the situation in Groznyy has settled down. President of Chechnya Dzhokhar Dudayev comments on the situation there:

[Dudayev] "There has been mass destruction, open aggression. Up to a division from the personnel of the Kantimirov and Taman divisions—using armor, ground attack aviation, general military aviation—launched a general military operation with the aim of taking Groznyy and destroying the town. The operation completely failed. The whole group was totally destroyed along with its military equipment. Some of them were killed, some have been taken prisoner and are being investigated."

[Announcer] However, the Interim Council's press secretary, Ruslan Martagov, denied claims by official Groznyy that Russian servicemen took part in the opposition's attack and that some of them had been taken prisoner.

[Martagov] "In those places controlled by Dudayev's military units, men are being held, made to change into military uniform and then taken somewhere public to be shot as Russian mercenaries."

[Announcer] Dzhokhar Dudayev denied reports about mass shootings.

[Dudayev] "I declare that no such thing has happened here, or even been thought of. It's all bluff, an invention. Nobody is being shot here. It's those in the tanks, in the armored vehicles who are shooting people, destroying homes, hospitals, education institutes, clinics, and schools."

[Announcer] As regards the Russian servicemen taken prisoner, their safety will be guaranteed if Russia officially recognizes them as its servicemen. If it does not, the prisoners will be regarded as invading mercenaries, end of quotation.

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[Dudayev] "I mean Russia's higher political authorities, who control the armed forces, the special service, arms, military equipment—the best, aviation—the best. Whoever has all this is in command. It would be obvious to a child that these forces are not used without the sanction of the higher political authorities."

[Announcer] As we have learned, divisions of Chechnya's Interim Council, which left Groznyy last night, started a new attack this afternoon. At 2000, there was heavy fighting in the suburbs of Groznyy and the divisions of the opposition were moving toward the town, Interim Council Press Secretary Ruslan Martagov told an ITAR-TASS correspondent over the phone from Znamenskoye.

Potapov Denies Russian Participation

LD2611180394 Moscow INTERFAX in English 1651 GMT 26 Nov 94

[FBIS Transcribed Text] In his telephone talk with Interfax Lieutenant General Vladimir Potapov, chief of staff of the North-Caucasian Military District (Rostov-on-Don), reported that not a single soldier or officer, who are on regular service in the Russian armed forces, participates in the hostilities being waged on the Chechen territory.

"I responsibly declare that any information about Russian regular servicemen who allegedly have been taken prisoners of war in Groznyy is a malicious slander to which certain circles in the Chechen leadership resort not for the first time already," Potapov continued.

He also reported that "not a single unit of military equipment" had been sent to Chechnya. "Our military equipment is on its authorized places," he said.

Potapov added that the military district did not undertake any emergency measures due to the recent events in Groznyy. "This is an inner affair of Chechens," the general said. However, he did not rule out possibility that former Russian servicemen could participate in hostilities in Chechnya as hirelings. "The army has nothing to do with this," Potapov believes.

'Popular Trust' Head Urges End to Hostilities

LD2711085894 Moscow ITAR-TASS in English 0630 GMT 27 Nov 94

[By ITAR-TASS correspondent Mikhail Shevtsov]

[FBIS Transcribed Text] Moscow 27 Nov (TASS)—The latest developments in Chechnya show that the process of the self-destruction of the Chechen people becomes extremely ferocious, Yaragi Mamodayev, head of the so-called Popular Trust government, who is currently in Moscow, told ITAR-TASS on Saturday [26 November] night.

Mamodayev urged the warring sides immediately to cease hostilities and launch negotiations. On behalf of the "Popular Trust government", Mamodayev requested all "robust forces" of Chechnya, Russia and the Chechen diaspora abroad in a request "to do everything possible to bring about peace and accord in the republic and in the Caucasus."

Mamodayev also stated that his government has a realistic programme for Chechnya to get out of the crisis, a formula for Russian-Chechen relationships and an economic recovery plan to bring the Chechen economy up to world level before the year 2000.

Commentator on Failed Attempt To Topple Dudayev

LD2711202094 Moscow Russian Television Network in Russian 1700 GMT 27 Nov 94

[from the "Vesti" newscast]

[FBIS Translated Excerpt] Whereas yesterday reports from Chechnya were coming literally every 30 minutes and the difficulty was to sort out the stream of contradictory information, today it is very difficult to understand from the meager reports in INTERFAX and ITAR-TASS what is really happening in the republic. Our commentator, nevertheless, seems to have achieved this goal.

[A. Vitels] Judging by the reports coming from Groznyy, the opposition's most serious attempt, since the conflict started, to do away with General Dudayev's regime has failed. Last night's events showed that Umar Avturkhanov's statement on transfer of all power to the Interim Council was premature. The Interim Council's home guard, mostly peasants, failed to keep the republican capital under their control. The Interim Council's main forces have, in fact, retreated practically to their initial positions. The armored hardware has been withdrawn to the village of Tolstoy-Yurt.

The number of casualties is yet unknown. According to ITAR-TASS, however, the number of killed and wounded on both sides may be calculated in hundreds. According to the General Staff of Dudayev's army, 20 units of the opposition's armored hardware have been destroyed and over 200 people have been killed. There have been no reports on losses among government troops. According to the same source, of the 120 people taken prisoner, 68 are Russian servicemen. However, judging by this video recording, it is a question of free-lance specialists who are in this way earning a living at their own risk. [passage omitted]

Dzhokhar Dudayev's whereabouts are not known. Since yesterday evening local television has stopped working. There is no electricity in most areas of the town. A helicopter attack by the opposition is expected in Groznyy.

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Dudayev Seeks To Free Chechnya From 'Russian Aggressors'

LD2711152194 Moscow INTERFAX in English 1332 GMT 27 Nov 94

[FBIS Transcribed Text] Chechen President Dzhokhar Dudayev said in an interview with Interfax in Groznyy that "the future of the free Caucasus is decided in Chechnya."

Commenting on the developments in the republic, Dudayev said that "we must eliminate bandits within two days and free the sacred Chechen soil from Russian aggressors."

Earlier, Dudayev said in an interview with Interfax on Saturday [26 November] that the "war in Chechnya spreading around North Caucasus and far beyond its limits across all Russia" was real. He said the "silence kept by the Russian leaders on the situation in Chechnya proves that they participated in the beginning of the military actions in the republic."

Dudayev stressed that he would not leave the post of the Chechen President and Groznyy whatever the circumstances were. He categorically rejected the demand that he resign put forward by the opposition. He said he would fulfill his obligation to the Chechen people "till the end."

Did Not Leave Presidential Residence

LD2711204794 Moscow Radio Rossii Network in Russian 2000 GMT 27 Nov 94

[FBIS Translated Excerpt] Movlen Salamov, aide to the Chechen leader, has described Saturday's assault on Groznyy by opposition forces as an attempted coup that failed. He said order has been restored in the town, and the opposition detachments have been crushed. More than 20 tanks were destroyed in the fighting, and as many again seized; about 200 people have been taken prisoner, Movlen Saamov pointed out.

He stressed that Dzokhar Dudayev did not leave the presidential residence. The Chechen leader went down into the basement, where a command point has been equipped. Movlen Salamov denied reports that the opposition had taken Dudayev's residence. [passage omitted]

Dudayev Press Chief: 500 Russian Soldiers Killed

LD2711181594

[FBIS Editorial Report] Moscow Radiostantsiya Ekho Moskvy in Russian at 1600 GMT on 27 November broadcasts a 3-minute report by an unidentified correspondent, updating the situation in Chechnya. The correspondent says that the radio has played part of an interview with Khasim Raduyev, head of President Dzhokhar Dudayev's press service. Raduyev says that the bodies of 500 Russian soldiers lie on the streets of Groznyy and are being picked up by ambulance before they decompose. He is quoted as saying that 200 Russian servicemen and officers have been taken prisoner.

After broadcasting Raduyev's comments, the correspondent quotes Khatuyev—not further identified—as saying that a contingent of 4,000 Russian soldiers took part in the attack on Groznyy, using 15 military helicopters, two fighter aircraft from 127 Squadron, and two tank battalions from the Kantimirovskaya Division.

Groznyy was cleared of all Russian troops by 1730 on Saturday, Dudayev's press chief Raduyev is quoted as saying. Khatuyev then gives government losses as 24 dead, 28 injured. He adds: "Between 25 and 30 civilians have died. It was a good job that our civil defense reacted on time before the start of the attack. Radio signals were given, the sirens went off, and people were able to hide underground during the bombing."

Musa Merzhoyev, described as a representative of the Chechen president, is quoted as saying the Russians taken prisoner would be allowed to go home, but that they would be shot if Russia continued the war.

Presidential press chief Khasim Raduyev is then quoted as telling the radio that talks on the return of prisoners would from now on go ahead only if Russia admits officially that its troops took part in the military activities. Raduyev is heard to say: "On 18 November, Russia started a new Russo-Caucasian war. The war will engulf more and more territory, and will simply mark the end for the Russian state."

Ruslan Martagov, press secretary of Chechnya's Interim Council contradicts this, saying: "There is fighting in the town, the crack divisions of the Interim Council are concentrating on the outskirts of the town in preparation for a new attack."

Dudayev Assails 'Russian Aggression'

LD2711232294 Moscow 2x2 Television in Russian 2215 GMT 27 Nov 94

[FBIS Translated Text] A tense situation prevails around the Chechen capital Groznyy. A mighty attempt to take the city by storm undertaken by the opposition forces seems to have failed. The Chechen authorities announce that having scores of people killed and more than 20 tanks, their enemies have pulled back to their original positions outside the city.

On Sunday [27 November] evening our correspondent Viktor Kuzmin managed to phone the presidential palace in Groznyy for an exclusive interview with President Dzhokhar Dudayev.

[begin recording][Dudayev] Speaking to you is President Dudayev of the Chechen Republic. I am in my office at my work place so I am in full control of the situation and we are restoring the damage caused by the fighting on the territory of Groznyy—huge damage.

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[Kuzmin] Mr. President, could you tell us the details of Saturday's assault?

[Dudayev] Yesterday assault aircraft, helicopters took part. There was up to division-strength of ground forces, against Groznyy. Huge losses, nearly everything is destroyed here. The losses are huge. The main damage is to the civilian populace and children.

[Kuzmin] And what about the opposition?

[Dudayev] No opposition, it is Russian aggression and open military operations. All crews are Russian to a man, the military professional equipment is Russian, what opposition in the world has ever had assault aircraft? What are you talking about?

[Kuzmin
But still it assaulted Groznyy.

[Dudayev] I responsibly state that Russia's supreme political leadership is intentionally whipping up the situation in order to unleash a colossal Caucasian-Russian war. It is has essentially been started already by the Russian side. We localized yesterday's attack by Russian forces. They were completely routed, the equipment was destroyed, all the crews were either destroyed or taken under guard.

[Kuzmin] You mean that among the captives there are Russian military men? Moscow denies the participation of the Russian military in the conflict.

[Dudayev] If the Russian leadership denies its servicemen, they should be physically destroyed as bandits. You do not know anything, you just wait, your Mother Russia will fall apart so you will not be able to pick up the pieces. [end recording]

Life in Groznyy Returning to Normal

LD2811085494 Moscow ITAR-TASS World Service in Russian 0715 GMT 28 Nov 94

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Translated Text] Groznyy, 28 Nov—The situation in Groznyy remains calm and is under the full control of the official authorities. According to the headquarters of the Chechen armed forces, last night there were isolated exchanges of fire only in the outskirts with opposition fighters who were clearly trying to penetrate the city. All the attempts were repelled.

Life in the Chechen capital is gradually returning to normal. At Dzhokhar Dudayev's personal order, services are working around the clock to restore city communications facilities which were destroyed during Saturday's fighting. Virtually all districts of the town again have electricity, gas, and water supplies. Transport facilities are returning to normal.

There are rumors that fresh attacks on the city are being planned. But a majority of the population is skeptical about this.

Deadline Set For Russian Response to Accusations

LD2811084994 Moscow Mayak Radio Network in Russian 0530 GMT 28 Nov 94

[FBIS Translated Text] Reports on the situation in Chechnya remain contradictory. The opposition states that there was a new offensive on the city on Sunday [27 November] evening and fierce fighting occurred. According to information from the opposition intelligence service, Dudayev's supporters have been seizing young people of Russian nationality, compelling them to change into military uniforms and forcing them to confess that they are Russian mercenaries.

Official Groznyy has denied that there was fighting in the suburbs on Sunday, declaring that the fighting ended on Saturday evening.

Russia's Ministry of Defense categorically refuted the statement by official Groznyy that Russian servicemen took part in the storming of the Chechen capital. Groznyy states that approximately 100 Russian soldiers and officers have been captured and, unless Russia acknowledges its part in the attempt to seize Groznyy, punishment in line with wartime law will be applied to them. Official Groznyy has set the deadline for receiving an answer from the Russian side at 1800 on 29 November.

Grachev Says Russian Army Not Involved

LD2811095994 Moscow ITAR-TASS World Service in Russian 0755 GMT 28 Nov 94

[By ITAR-TASS correspondent Mikhail Shvetsov]

[FBIS Translated Text] Moscow, 28 Nov (ITAR-TASS)—The Russian Armed Forces are not involved in events taking place in the Chechen Republic. They are just fighting for power there, Russian Defense Minister Pavel Grachev said today prior to meeting Joergen Lyng, chief of the Danish Defense Forces, who is visiting Russia.

Grachev said that as far as he knew both sides in the conflict had many mercenaries. For example, mercenaries from Dagestan, the Baltic republics, and Russia, too, were taking part in the conflict on the Dudayev's side. He added that the opposition might also have mercenaries from Russia on its side.

As for allegations that the Russian Army was involved in the conflict, it was pure nonsense, Grachev said. If the Russian Army was involved, "I would have never allowed tanks to enter the town since it is totally unprofessional," Grachev said. He said that if Russian soldiers were really involved in the Chechen conflict and if paratroopers entered the town, everything would have been over in a couple of hours. The minister also said that both the opposition and Dudayev could quite easily get weapons. It is possible to buy anything now, the

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minister said, but the Russian Armed Forces have handed no weapons to either side.

Khasbulatov Warns of Imminent Bomb Strikes

LD2811101694 Moscow Radio Rossii Network in Russian 0900 GMT 28 Nov 94

[FBIS Translated Text] Ruslan Khasbulatov has told residents of Groznyy to have their children evacuated from the Chechen capital. In a television address on one of the channels broadcasting from the territory controlled by the opposition, Khasbulatov said that bomb strikes would be delivered on Groznyy very soon. In the meantime, the past night was relatively calm in the city, according to Interfax. The main staff of the Chechen armed forces has reported that some armed groups of the opposition still remaining in the city tried to fire at subunits of government troops virtually in the center of Groznyy.

Groznyy Threatens to Execute Captured Russians

LD2811120294 Moscow INTERFAX in English 1110 GMT 28 Nov 94

[FBIS Transcribed Text] The Chechen authorities have warned that some 70 Russian servicemen will be executed Tuesday, if Moscow does not admit their participation in a war against Chechnya on the opposition side. This has been declared to an INTERFAX correspondent by a spokesman for Chechnya's State Security Department. By government figures, 300 opposition troops were killed, another 200 were taken prisoner, and more than 30 armored vehicles were destroyed.

Meanwhile, as the Chechen Army Headquarters claim, the Vityaz task force has arrived in Mozdok, North Ossetia for participation in an assault on Groznyy.

A spokesman for the Headquarters has told INTERFAX that after the abortive attempt to capture the capital, the opposition has withdrawn its main forces beyond the Terski mountain range.

Musa Merzhuyev, President Dudayev's envoy in the Army Headquarters, has declared that "two days will be enough" for the government troops "to neutralize the opposition in full", provided, "Moscow stops to support the opposition units".

Ingushetia Appeals for End to Chechnya Bloodshed

LD2711165394 Moscow INTERFAX in English 1553 GMT 27 Nov 94

[FBIS Transcribed Text] The leadership of Ingushetia on Sunday [27 November] appealed to the Chechen people to stop the bloodshed.

The Ingushi people has never begged anyone, but in this case we are begging the Chechen people on behalf of the Ingushi people: stop your sons who took up arms to exterminate each other, prevent a big war on the Chechen land, says the statement.

To prevent further bloodshed, Ingushetia proposed its mediation to all conflicting sides. All acute problems should be solved only through the talks, says the document.

The Ingushi leadership said that the republic will help Chechnya to eliminate the consequences of fighting in Groznyy, and first of all, will help the Chechen civilian population. The appeal was signed by Ingushi President Ruslan Aushev, Parliament Speaker Musa Sultygov and Prime Minister Musa Didigov.

Galazov Disagrees With Prediction of Russian-Caucasian War

LD2611152694 Moscow INTERFAX in English 1424 GMT 26 Nov 94

[FBIS Transcribed Text] North Ossetia's President Akhsarbek Galazov says: Dzhokhar Dudayev's predictions that the conflict in Chechnya may grow into another Russian-Caucasian war are groundless. "I know what the stand of my colleagues—the leaders of republics and regions in the North Caucasus - is like: they want no war," he told Interfax in Moscow on Saturday [26 November].

In an interview with Interfax Chechnya's president had said that the war in Chechnya may spread to the entire North Caucasus and far beyond it - "throughout Russia."

"Everyone in the Caucasus is tired of wars," Galazov stressed. "Since Chechnya is part of the Russian Federation, the conflict in it is Russia's affair, and it's up to the people of Chechnya whom to support in this confrontation," he added.

The president of North Ossetia says that the task of Chechnya's neighbors is to help it "overcome the present situation and gain peace." He is confident that the republics of North Caucasus "have no moral right to interfere in the conflict with Chechnya," he added.

As he said, he already called for convening a conference to be attended by the leaders of the entire Caucasus, including Armenia, Azerbaijan and Georgia, in Vladikavkaz for the sake of gaining peace. It's time for the leaders of the Caucasus to realize that the region is a common political, economic and cultural space the peoples populating it must take care about.

Deputy Minister Cited on Peacekeepers' Future in Dneister

LD2511141194 Moscow ITAR-TASS World Service in Russian 1304 GMT 25 Nov 94

[By ITAR-TASS freelance correspondent Sergey Aprelev]

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[FBIS Translated Text] Tiraspol, 25 Nov (ITAR-TASS)—Colonel-General Georgiy Kondratyev, Russia's deputy defense minister, and top officials of Moldova and the Dneister region are holding talks on reducing the military equipment and the contingent of the Russian peacekeeping forces in Moldova.

Kondratyev said in an exclusive interview with ITAR-TASS that the agreement between Moscow and Kishinev [Chisinau] on the withdrawal of the 14th army has been signed but there is "no mechanism for implementing it." He said that "it would be absurd right now to demand that General Lebed should produce some kind of schedule for the army's withdrawal." Kondratyev said there is talk about reducing the Russian peacekeeping forces in the Dneister region or replacing them but not about withdrawing them. It was agreed at the latest sitting of the joint control commission, which he attended, that "the safety zone should be by no means reduced," and that the peacekeepers' tasks should be carried out by smaller numbers of peacekeepers but more efficiently, the general said and added that he did not discuss withdrawal of the Russian troops with Moldovan Defense Minister Pavel Kryange.

Kondratyev met with the personnel of the 14th army today. Addressing the servicemen, he said Russian peacekeepers should continue to carry out their tasks in the Dneister region. He also held talks with Dneister President Igor Smirnov at the latter's request.

Shumeyko, Yegorov Seen Behind Removal of Krasnodar Mayor

MK2611130094 Moscow NEZAVISIMAYA GAZETA in Russian 26 Nov 94 p 1

[Report by Valeriy Khabilevskiy under the "Cadres" rubric: "Krasnodar Mayor Replaced. Interests of the Kuban Lobby in Country's Top Leadership May Be Behind the Move"]

[FBIS Translated Excerpt] By order of Yevgeniy Kharitonov, chief of the Krasnodar Kray Administration, Mr. Kryazhevskikh has been appointed new mayor of Krasnodar. He filled the vacancy that emerged after city head Samoylenko was unexpectedly removed from office. Boris Yeltsin, by his edict of 18 November (with two days to go before elections for the kray's legislature and the city Duma), removed Samoylenko from the post of Krasnodar mayor and gave Governor Kharitonov one week to find a replacement and to present the candidacy to the president for approval.

The official reason for Samoylenko's ousting is his failure to implement a number of presidential edicts and government decrees. Local observers, however, link this more to the struggle for power and property between a number of clans existing in the kray and the region. According to their reasoning, the Kuban lobby in the country's top leadership played not the least role in the goings-on. Named among interested high-ranking officials are Vladimir Shumeyko, chairman of the parliament's upper chamber, and Nikolay Yegorov, former Kuban governor and current nationalities minister. [passage omitted]

Kaliningrad Leader Joins Baltic Fleet Military Council

WS2511145094 Kaliningrad YANTARNYY KRAY in Russian 22 Nov 94 p 1

[Unattributed report: "Member of the Baltic Fleet Military Council Appointed"]

[FBIS Translated Text] *By virtue of an edict issued by the Russian Federation president, Yuriy Matochkin, head of the Kaliningrad Oblast Administration, has been appointed a member of the Baltic Fleet Military Council.*

As a member of the military council, he will participate in the implementation of our state's military policy in the Baltic Fleet and the work aimed at ensuring the fleet's combat readiness. An important aspect in his future activity is to foster cooperation between bodies of the legislative and executive branches on issues of defense and the social and legal protection of servicemen.

Azov Port Acquires International Status

MM2511121594 Moscow IZVESTIYA in Russian 23 Nov 94 p 1

[ITAR-TASS report: "Azov Port Given International Status"]

[FBIS Translated Text] The Azov maritime port has been given international status, ITAR-TASS has reported from Rostov-na-Donu. A customs office has been opened there and the port is now empowered to send Russian merchant ships on international voyages and accept and deal with ships flying foreign flags. This is the second international port on the Azov Sea after Taganrog.

Correction to Stavropol Cossacks Article

LD2211135494

The following pertains to the item headlined "Stavropol Cossacks Deny Occupation Plans," published in the 22 November Central Eurasia DAILY REPORT, page 27, left column:

First paragraph, only sentence make read: "...the Nadterechnyy and Shekhovskoy rayons of Chechnya." (correcting spelling of rayon name)

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International Affairs

Ministers Discuss Economic Relations With U.S.

LD2611193094 Kiev UT-1 Television Network in Ukrainian 1700 GMT 26 Nov 94

[FBIS Translated Text] An advisory meeting between the president of Ukraine and the chief executives of the Cabinet of Ministers discussed the outcome of the state visit to the United States and the situation emerging in Ukraine as a result of recent measures to liberalize the economy.

It noted that the visit to the United States elevated the relations between our countries to a qualitatively new level, securing the United States' political and financial support for reforms in Ukraine.

Speaking on liberalization of the economy, Ukraine's First Deputy Premier Viktor Pynzenyk expressed a view that sectoral monopolies were responsible for unjustified prices rises. However, following a presidential edict on officials' responsibility, the situation has somewhat changed. First signs of stabilization also emerged on the financial and monetary market, with the certain strengthening of the karbovanets against the ruble and the U.S. dollar.

The meeting at the Cabinet of Ministers also discussed payments for gas deliveries from Russia and Turkmenistan.

Shmarov on Delay in U.S. Aid Receipt

LD2511214094 Kiev UNIAN in Ukrainian 1845 GMT 25 Nov 94

[By UNIAN correspondent Natalia Nemadzyan]

[FBIS Translated Text] Kiev [no dateline as received]—"For a long time the American side time kept delaying the provision of $350 million in aid on the Nunn-Lugar program promised back in March 1993," Valeriy Shmarov, Ukraine's deputy prime minister and minister of defense told UNIAN on 25 November. During the meetings with U.S. Secretary of Defense William Perry in Washington, the Ukrainian side pointed out the United States' failure to keep their promise, Shmarov said. Dmytro Tabachnyk, the head of Ukraine's presidential administration told journalists upon return from Washington that Secretary Perry and Assistant Secretary Dr. Ashton Carter "felt uncomfortable" during the talks.

According to Shmarov, the American side stepped up its aid efforts only in fall this year. To date, around $200 million worth of projects on the Nunn-Lugar program have been implemented, including $40 million worth of conversion projects.

Speaking to a UNIAN correspondent, Shmarov commented favorably on the solution to the nuclear disarmament problem offered by the said program, emphasizing, however, that Ukraine placed greater importance on aid toward social programs for servicemen, which had been agreed with the U.S. defense secretary.

Speaking of the G-7 assistance to Ukraine in the dismantling of nuclear weapons [a $200 million grant for that purpose was announced in Naples], Shmarov said that agreements reached in the United States would stimulate further funding by other international financial organizations.

Fedorov Briefs on NPT, Yeltsin Trip, Treaty

WS2511160094 Kiev KIYEVSKIYE VEDOMOSTI in Russian 23 Nov 94 p 3

[Report by Oleh Medvedev: "Specific Date of Boris Yeltsin's Visit to Ukraine Has Not Yet Been Fixed"]

[FBIS Translated Text] At a briefing held on 22 November [in Moscow], Volodymyr Fedorov, Ukraine's charge d'affaires in the Russian Federation, expressed his bewilderment over the statements by the officials of certain states, including Russia, who questioned the sincerity of Ukraine's intentions to join the Nuclear Nonproliferation Treaty [NPT]. According to him, official circles in Russia voiced their remarks with regard to Kiev's reservations accompanying the NPT.

The briefing was devoted not only to Ukraine's acceding to the treaty, but also to the current issues of Ukrainian-Russian relations. Asked by a KIYEVSKIYE VEDOMOSTI correspondent when a new Ukrainian ambassador to Russia will finally be appointed—for it is impossible to consider normal the situation where the state, officially proclaimed as the leading foreign partner, does not have an ambassador for almost three months now—Fedorov pointed out that this issue is not in the embassy's competence and the decision rests with the state's leaders.

As for a full-scale political treaty between Russia and Ukraine, Fedorov said that it is practically ready. The issue of dual citizenship urged by the Russian side will be considered separately from the treaty. The charge d'affaires acknowledged that the problem of the Black Sea Fleet remains the most controversial issue. Mr. Fedorov diplomatically declined to answer KIYEVSKIYE VEDOMOSTI's question about the specific date of Boris Yeltsin's visit to Ukraine, saying that a voluminous package of documents is being drafted, which demands serious and painstaking preparations. Mr. Fedorov called upon the Russians to not bear grudges over the fact that after proclaiming Russia a priority foreign partner, the Ukrainian president went to Canada and the United States. He pointed out that Leonid Kuchma already held a working meeting with Boris Yeltsin in the course of the recent CIS summit. Besides, the two presidents regularly talk over the telephone.

Ministry on 'Unfounded' Russian NPT Doubts

LD2511204394 Moscow ITAR-TASS World Service in Russian 1926 GMT 25 Nov 94

[By unidentified UKRINFORM-TASS correspondent]

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[FBIS Translated Text] Kiev, 25 Nov—The press center of the Foreign Ministry of Ukraine today circulated a statement about a series of speeches by Russian Foreign Ministry spokesmen, carried by the press, casting doubts upon the content of the decision, which was adopted by Ukraine's Parliament, to become party to the Nuclear Nonproliferation Treaty [NPT]. For its part, the statement says, the Ukrainian Ministry of Foreign Affairs has frequently explained that this decision is the logical concluding step to a series of decisions by legislative and executive power leading to Ukraine acquiring the real status of a nuclear-free state. Any doubts about this are absolutely unfounded, the statement by the press center of the Ukrainian Foreign Ministry says.

The document expresses concern that such speeches do not further the concluding stage of the work in Budapest on the eve of the CSCE summit and in the capitals of the three nuclear powers with a view to finally agreeing the procedure for Ukraine becoming a party to the NPT and the signing of an international legal document giving Ukraine security guarantees.

Moroz Against NATO Membership for Ukraine

LD2511180894 Moscow INTERFAX in English 1602 GMT 25 Nov 94

[FBIS Transcribed Text] Chairman of the Ukrainian parliament Oleksandr Moroz has spoken out against Ukraine's joining NATO.

Neither Ukraine, nor Russia need NATO and the organization does not wait for their membership, he told Interfax-Ukraine on Friday. Moroz said that "the collective security system in Europe should be based on principles of the Helsinki Accords." Moroz believes that this may guarantee stability and peaceful development for the Europeans.

Moroz is against the use of NATO forces in the peacekeeping missions. He believes that to settle conflicts forces under the UN auspices could be used, but on a condition that servicemen should represent states not military blocs.

Moroz believes that Ukraine's joining NATO could affect negatively its relations with Russia and destabilize the situation in the republic.

He believes that in this case Russia "would be forced to react and it has all possibilities for that."

Moroz on Hinderance of 'Zero Option' Rejection

LD2511154094 Moscow INTERFAX in English 1424 GMT 25 Nov 94

[FBIS Transcribed Text] The Chairman of the Ukrainian Supreme Soviet Oleksandr Moroz says that Ukraine favors a zero option on the problem of the formerly Soviet assets and liabilities.

Moroz told the INTERFAX-UKRAINE Agency Thursday that some circles are playing up that problem so as to meet their political objectives. Earlier, commissions of the Ukrainian parliament discussed, but failed to pass, a bill that rejects the zero option.

According to Moroz, Ukraine and Russia are standing a chance to find mutually acceptable solutions for the use of space on the premises of the formerly Soviet missions in 36 foreign countries.

Now that the Soviet debts and interest on them have grown, Moroz finds it next to impossible to divide the assets and liabilities between his republic and Russia, let alone meet the deadlines for debt payments.

In Moroz' view, the rejection of the zero option hinders normal relations between Ukraine and Russia.

Marchuk Cites CIS Economics as High Priority

AU2811112494 Kiev HOLOS UKRAYINY in Ukrainian 23 Nov 94 p 23

[Report by the Press Service of Ukraine's Cabinet of Ministers and UKRINFORM: "With Fair Intentions"]

[FBIS Translated Text] The CIS member states have practically created a mechanism for economic cooperation. This is the main result of the first session of the Presidium of the Interstate Economic Committee that was held last week in Moscow. Ukraine's governmental delegation was headed by First Vice Premier Yevhen Marchuk. The Presidium of the Interstate Economic Committee was created at the October meeting of CIS heads of state in Moscow as a consultative and advisory body in charge of promoting economic cooperation. With its quite extensive powers, the Interstate Economic Committee Presidium, which will meet once every three months, must prepare a mechanism for the CIS Economic Union. To this end, strategic problems of cooperation and interaction of economic, customs, labor, and other legislations will be coordinated at its sessions. A board in which plenipotentiary representatives of the participant states will work on a permanent basis in Moscow, will constitute an executive and coordinating body of the Interstate Economic Committee.

"I believe that the main result of the session," said Yevhen Marchuk after its completion, "is the fact that representatives of all CIS states have realized that the economy must be given priority in the politicians' actions. The interdependence of economic complexes demands better coordination of actions at interstate level. It is only necessary for the Interstate Economic Committee to fulfill its functions precisely as the countries require, through their permanent representatives."

Tsekov Favors CSCE Principles in Crimea

LD2511162294 Moscow INTERFAX in English 1438 GMT 25 Nov 94

[FBIS Transcribed Text] In an interview with INTERFAX, Chairman of Crimea's Supreme Soviet Serhiy

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Tsekov said that the statement adopted by Russia's State Duma regarding the resolution of Ukraine's Supreme Soviet to annul several legislative acts of the Crimean parliament, is a timely one.

Last Wednesday State duma deputies called on Ukraine's and Crimea's authorities to show restraint, to observe mutual respect, and to take into consideration the influence decisions adopted by them have on the general background of Russian-Ukrainian relations. The document underlines that "any deterioration of the situation on the peninsula affects Russia."

Tsekov expressed hope that the comprehensive agreement on friendship, cooperation, and partnership between Russia and Ukraine will take into account principles of the Final Act of the CSCE stipulating that states should respect the will to self- determination of peoples along with recognition of sovereignty and territorial integrity of states.

Tsekov pointed out that given mutual relations being established between Russia and Ukraine, Ukraine's Supreme Soviet is not likely to undertake any radical moves aimed at worsening mutual relations between Crimea and Ukraine, which are rather difficult at the moment.

Officials Prepare For Cooperation With Iran

AU2511201194 Kiev HOLOS UKRAYINY in Ukrainian 23 Nov 94 p 10

[Unattributed report: "Oil May Be Purchased When There Is Something for Sale"]

[FBIS Translated Text] On 18 November, Oleksandr Tkachenko, first deputy chairman of Ukraine's Supreme Council, received an official delegation of the Islamic Republic of Iran headed by Deputy Foreign Minister Mahmud Va'ezi. The plenipotentiary delegation arrived in Kiev in order to make preparations for an official visit to Ukraine by a parliamentary delegation of the Islamic Republic of Iran that will be headed by Mr. 'Ali Akbar Nateq-Nuri, speaker of the Islamic Consultative Assembly (Majlis). The visit will take place at the beginning of December.

In the course of conversation with the deputy chairman of Ukraine's Supreme Council, details of the forthcoming visit were discussed and the question of the need of parliamentary and economic cooperation between the two states was also raised. Iran may supply us with oil and gas (the necessary documents on this issue have already been signed), products of light industry, and foodstuffs. In Ukraine, heavy industry, agriculture, and so on are well developed. This creates all preconditions for the development of steady relations.

National Affairs

Kuchma Orders Devaluation Losses Compensation

LD2511192394 Kiev UT-1 Television Network in Ukrainian 1700 GMT 25 Nov 94

[FBIS Translated Text] We have received a directive by the president of Ukraine to compensate the citizens of Ukraine for their losses from the devaluation of money deposits at Savings Bank of Ukraine and Ukrderzhstrakh [state insurance company of Ukraine] branches. To that end and in accordance with Paragraph 7.4 of Article 114.5 of the Constitution of Ukraine, it is said in the directive, I resolve that:

First, the indexation is to be carried out of money deposits by the citizens of Ukraine at Savings Bank of Ukraine and former Ukrderzhstrakh branches on the following terms:

The indexation of all kinds of deposits and long-term insurance agreements is to be carried out on the respective basis of their balance or the sum of insurance premiums paid as at 2 January 1992, by way of their increase in line with the index of consumer price rises in 1992-1993 by 2,200 times.

Certificates to a nominal value divisible by 1 million karbovantsi are to be allotted in the sum equal to that of the indexation, with the sum of the indexation as calculated in accordance with the index mentioned in Paragraph 2 of this article, to be rounded up to a sum divisible by 1 million.

Second, it is to be established that the certificates that are allotted in the sum equal to that of the indexation, hereinafter referred to as the certificates, are to be freely in circulation and are to be used for the privatization of state property, except for integral property complexes at small state enterprises that are subject to privatization in accordance with the law of Ukraine on the privatization of small state enterprises, or small privatization, and the facilities that are subject to privatization in accordance with the Ukrainian president's directive of 14 October 1993 No. 456 on the privatization of incomplete-construction facilities and the Ukrainian president's directive of 29 December 1993 No. 612 on the privatization of filling stations selling gas, oil, and lubricants exclusively to the population.

The certificates are effective until 1 July 1997.

Third, the Cabinet of Ministers of Ukraine and the National Bank of Ukraine are to approve within a two-month term the procedure and time-scale for the indexation of money deposits and for the (?issue), circulation, keeping, registration, and redemption of the certificates.

Fourth, the chairman of the State Property Fund of Ukraine and the finance minister of Ukraine are to be authorized to put their signature to the certificates.

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Fifth, the Cabinet of Ministers of Ukraine are to take measures to produce the required amount of the certificates and bring government decisions in line with this directive.

[signed] Ukrainian President Leonid Kuchma

[dated] Kiev, 24 November 1994.

Pinzenik Declares Price Liberalization 'Cushions'

LD2511172594 Moscow INTERFAX in English 1453 GMT 25 Nov 94

[From the "Presidential Bulletin" feature No. 229 (719): Compiled by Nikolay Zherebtsov and Andrey Petrovskiy; edited by Vladimir Shishlin]

[FBIS Transcribed Text] The government is adopting measures to "cushion" effects from the liberalization of prices above all in regard to the low-income families and disabled persons, First Deputy Premier Viktor Pinzenik has declared at a meeting with the leadership of the republican Federation of Trade Unions.

According to him, the unions demands to hike minimum wages, pensions, and stipends to compensate for inflation have been met in principle.

Pinzenik, who is in charge of macroeconomics at the cabinet, bears in mind Kuchma's recent decree to index population incomes and provide individually-oriented cash support for the poor.

The document obliges the cabinet to revise the combined per capita population income monthly since November 1, 1994, and authorizes local governments to pay allowances to the poor within two weeks after the publication of the presidential decree.

Last weekend, Kuchma declared that ministers and local governors will be personally responsible for putting government reforms into effect and for keeping industries from dictating exorbitant prices and tariffs. Ukraine's Anti-Monopoly Committee and Economics Ministry were given one month to submit proposals on what should be done to curb monopolism and do away with the structures that cause prices to go up.

Supreme Soviet Chairman Oleksandr Moroz and left-wing parliamentary factions regard these measures as inadequate for softening the harsh social effects from transition to the free formation of prices.

Moroz complained to journalists in Kiev that the cabinet had lost control over the implementation of the prices liberalization decision, which he described as a rash move.

"The government has up till now been unable to explain why it sent the prices up," Moroz remarked.

"Ukraine's parliament holds the view that the executive branch should not only control the formation of prices but influence this process," Moroz said.

Noting that parliament accepts the philosophy of reform, spelled out by the president in October, Moroz declared that Kuchma did not have "a clear-cut plan" of reform.

He dismissed as groundless claims that parliament is hindering change and recalled that six weeks ago parliament called on the executive branch to submit to parliament a time-table for economic reform bills debate. However, "in fact, only two imperfect documents have been tabled."

Moroz stressed that attempts to reform "by decrees" are doomed to failure. "It is impossible to experiment without well-balanced calculations. Reforms should be geared to law and a social security mechanism to protect citizens," Moroz concluded.

KUN Officer Receives Threats, Beating

AU2711184994 Kiev HOLOS UKRAYINY in Ukrainian 24 Nov 94 p 5

[Report by Lyudmyla Hrach: "Yet Another Attempt"]

[FBIS Translated Text] In Donetsk, an attack was made on Volodymyr Hryshkin, deputy chairman of the oblast organization of the Congress of Ukrainian Nationalists [KUN]. The attack was preceded by threats over the telephone. In the opinion of H. Sirenko, head of the Secretariat of the KUN main leadership, the crime could have been provoked by articles dealing with the activity of Yu. Zvyahilskyy [former Ukrainian acting premier, who is presently under investigation in absentia on corruption charges] in the newspaper BANDERIVETS [Stepan Bandera's Follower; Bandera was head of West Ukrainian nationalist organization siding with Germans during World War II], whose first issue came out recently. At 2100, in the center of town near a public transport stop, two young men jumped out of a foreign-made car and severely beat up V. Hryshkin, who was on his way from the editorial office.

Ruthenians Appeal for Sovereignty to Yeltsin

AU2511141594 Bratislava NARODNA OBRODA in Slovak 22 Nov 94 p 6

[TA SR report: "Subcarpathian Ruthenians Write to Yeltsin"]

[FBIS Translated Excerpt] Uzhhorod— The shadow cabinet of the so-called Republic Subcarpathian Ruthenia (the present Zakarpatskaya Oblast of the Republic of Ukraine with seat in Uzhhorod) has addressed a letter to Russian President Boris Yeltsin, asking him to rescind the treaty on the annexation of the territory of Subcarpathian Ruthenia to the former Soviet Union.

The treaty was signed in 1945 by Vyacheslav Molotov on behalf of the USSR and Zdenek Fierlinger on behalf of Czechoslovakia, without participation by representatives of Subcarpathian Ruthenia. The author of the letter

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Tibor Ondik, minister of foreign affairs of the Provisional Government of the Republic Subcarpathian Ruthenia, told TA SR yesterday that the rescission of the treaty by the Russian Federation as the successor state of the USSR would undo some of the wrongs inflicted on Subcarpathian Ruthenia by the Soviet Union and would establish further prerequisites for the actual re- establishment of a sovereign Republic Subcarpathian Ruthenia. According to the Provisional Government's intentions, the first step toward complete sovereignty should be the autonomy of Zakarpatskaya Oblast, which is now one of Ukraine's almost 30 administrative entities. [passage omitted on history of Ruthenia between 1918 and 1945] Originally, the annexed Subcarpathian Ruthenia was to be an independent union republic of the USSR, but in the end it became just one of the Ukrainian Soviet Socialist Republic's oblasts. In a December 1991 referendum, 78 percent of the population of Ciscarpathia advocated the establishment of a special self- administered territory, but the authorities in Kiev and Uzhhorod ignored the results of the referendum. The Ukrainian official press, radio, television, and the state-run UKRINFORM agency do not report on the activities of the Provisional Government.

Former Deputy Prime Minister Opposes Policies

WS2511144594 Kiev KIYEVSKIYE VEDOMOSTI in Russian 19 Nov 94 p 4

[Article by People's Deputy Volodymyr Lanovyy, a former deputy prime minister: "The Government Has Taken a Wrong Step, While It Is the People Who Suffer the Consequences"]

[FBIS Translated Text] The Ukrainian people have again been thrown into an abyss of hardship. Prices have increased by 500 to 700 percent, while pensions and wages—only 200 percent. Ukraine's trade turnover has decreased. Trading agencies, as well as bodies handling procurement and supply have no money to buy goods from producers, who in turn are going to produce fewer goods than before. The overall crisis will deepen. The demand for goods will continue dropping next year as well. Economic competition will be impeded. Society's expenditures, as well as the obligations of insolvent enterprises, will force the government to look for additional financial sources. Ukraine's budget deficit will grow again considerably and the government will—sooner or later—take advantage of inflation to print extra money or declare a regular 500-percent increase in prices.

It is clear that we have no market relations. We have a planned socialist economy (this system has repeatedly provided us with examples of multifold price increases) which is being improperly implemented by Ukraine's ruling elite.

Could the Government Avoid Throwing the Baby Out With the Bath Water?

Our current financial distortions have, in fact, been planned. When Ukraine's revenues as well as payments to the state budget have decreased, the tax noose should have been taken off the neck of enterprises. If the government had more efficiently used the loan opportunities offered by our commercial banks, as well as foreign currency revenues of our enterprises-exporters, excessive expenditures could have been avoided. The crisis in nonpayments, as well as freezing commodity movement, could have been resolved by modernizing the system of accounts, settling debts, and demonopolizing procurements, as well as through trade and bank loans.

Having failed to introduce these measures at the time of the stagnation of our financial system, the government's revision of the structure of prices—given its total disregard for the structure of the state budget (as well as of enterprises' and individual families' budgets)—leads to its self-destruction and self- torture.

The Policy of Economic Destruction

We have no market relations. The state is continuing to place orders with enterprises, sign contracts, deliver goods, and procure raw materials and goods. This situation leads to chaos, disarray, and production of goods which are not in demand. A state- monopolist, however, needs money, and needs it more badly in the situation of fuelled prices. The state budget is suffering from an ever-increasing deficit; the state is short of money.

The government is loaning money. The government is the largest debtor to our national banks, in particular, to the National Bank of Ukraine [NBU]. These debts emerged after NBU granted regular credits to finance the budget and cover the debts of state-owned enterprises and kolhozes.

Debts to the Russian Federation and other states—suppliers from the CIS—constitute the second half of the enormous debt amassed by the Ukrainian Government. The government must settle its hard-currency debts by either buying hard currency at auction or profiting by foreign trade deals handled by state-owned enterprises. The powers-that-be again resort to the NBU printing additional money. This is how the second half of state debts—influencing the increase in prices in Ukraine—grows.

I cannot say that the government has not fought against the hydra of their debts. How does the government fight against its debts? The government is accumulating them in number and size. The powers- that-be are currently confiscating virtually everything—profits, turnover funds, and amortization allotments—from producers. Enterprises have no funds to pay for materials, electricity, and equipment to their suppliers. Enterprises either stop their work or begin to deal in "shadow" business, thus depriving the state of tax revenues. An irrational tax system increases the deficit of the state financial system. The government's policy is destructive. The government has gone bankrupt.

Wild Outburst of Lawlessness

The budget is being improperly planned. It does not foresee such genuine expenditures as purchases of fuel,

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agricultural goods, goods for export, or foreign currency at stock exchanges. The state should either cease purchasing (instead, market relations should be introduced) or use real money to pay for its purchases. Only such a change could allow chronic administrative price increases to be stopped.

Our taxes are abnormal. The state has imposed taxes on gross income (instead of profits) and goods turnover (instead of VAT). It has introduced prohibiting excise taxes on basic necessities. Taxes on imported goods prevent people from buying raw materials and other materials due to the absence of which our production sector is standing idle. Having introduced excessive tax rates (also on wages and salaries) the state has been ignoring people's needs and the future of our production sector for over three years.

State-owned enterprises have yet to receive independence. The state is continuing to draw up plans and limit their independence; it instructs them to whom and at what prices they should sell their goods. The state has legalized their nonpayments to suppliers, as well as their unsettled debts and credits.

The current chaotic situation allows for nonpayments, unsettled debts, and a lack of working capital. Given the state's permission to raise prices, enterprises raise them as much as possible.

Is the National Bank of Ukraine a State Organ or a Commercial Bank?

Tell me please, what will the NBU leaders discuss if NBU's balance sheet shows that it has earned revenue from interest—paid to NBU for granted credits—above the amount of interest paid by the NBU itself.

The answer is as follows: They will study opportunities to increase both the interest on their loans and the number of granted credits, as well as to maximally decrease the rate of interest on deposits and people's individual accounts. It is no surprise that the Savings Bank's interest rate on individual accounts is the lowest and the people—holding their accounts in this bank—are the least protected from inflation.

NBU is not a factory administration supervising commercial banks as workshops. NBU cannot control commercial banks, as well as it cannot self-willfully change their norms and interest rates. It cannot grant excessive funds to a few of them while freezing accounts of the remainder, without approval from the Prosecutor's Office. NBU grants loans to the government reluctantly. What can it expect from the government? As is well known, it never settles its debts.

We have virtually no legislation to turn NBU into a money- printing center and to curtail its commercial-credit appetite.

A Sergeant's Widow Who Flogged Herself

A few months of expecting a new economic policy have resulted in complete disappointment. Why should the president deliver a market- oriented speech if it was later followed by an administrative- bureaucratic blow to the economy? Adversaries of a sane economy could be satisfied. They can maliciously declare from official rostrums: You have supported reform, you will pay for it. Such a policy does not only discredit new ideas; this policy is a prerequisite for repeated redistribution of profits in favor of the financial-trading Mafia. This policy will lead to a regular reduction in industrial production and an increase in unemployment.

How many more times will we take wrong steps before fully realizing to what these moves will lead us.

Committee Reports October Atomic Incidents

AU2511194394 Kiev HOLOS UKRAYINY in Ukrainian 23 Nov 94 p 8

[Unattributed report: "The Atomic Electric Power Plants Are Gaining Momentum"]

[FBIS Translated Text] Ukraine's State Committee for Atomic Energy has summed up the results of operation of the AESs [Atomic Electric Power Plants] in October. Over the month, they produced 5,413 [figures as published] million kilowatt/hours of electricity, which accounts for 31.8 percent of the total amount of energy produced in the country. For various reasons, 681.31 million kilowatt/hours of electricity less than planned was produced. This accounts for 12.6 percent of the monthly AES output. In September, the corresponding underproduction amounted to 928.2 million kilowatt/hours, and in August, even more—1,364 million kilowatt/hours. Therefore, toward winter, the AESs began to work more efficiently.

Of the 18 incidents that occurred at atomic plants in October, 17 are estimated at zero-level on the international scale and one (at the Zaporizhzhya AES)—as a level one incident. The radiation effect of the AES's on the environment remained within the norm.

Official on 'Verge' of Atomic Industry Collapse

LD2511152494 Moscow ITAR-TASS in English 1338 GMT 25 Nov 94

[By by ITAR-TASS correspondents Viktor Demidenko and Mikhail Melnik]

[FBIS Transcribed Text] Kiev November 25 TASS—The Ukrainian Atomic Power Industry, which accounts for about 40 percent of the cheap electricity generated in the country, is on the verge of bankruptcy and technical collapse. The financing of programmes to enhance the safety of generating units has practically been discontinued. Safety checks are irregular. Moreover, there is no equipment and spare parts to carry out maintenance jobs.

Mikhail Umanets, chairman of the State Committee for Nuclear Energy, told ITAR-TASS with bitterness that

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there were no grounds to expect a different turn of events, because the existing financial mechanism constantly undermies the industry. The understated electricity tariffs have produced a deficit of 10-12 trillion karbovanets. Systematic failure to get payments for the supplied electricity do not allow the atomic power industry to recoup its spendings. The consumers owe the state committee for nuclear energy more than four trillion karbovanets.

Umanets said that the industry's crisis is responsible for the present shortage of skilled personnel. The Ukrainian nuclear power plants now serve as "training centres" for Russian atomic stations. More than eight and half thousand best specialists have gone to Russia over the past two years, because they will be paid much more for their work there. Umanets said that his pay slightly exceeded thirty U.S. dollars a month. "you can imagine what rank and file specialists get," he noted.

However, Umanets is convinced that the crisis in this sector of the national economy could be overcome, primarily by creating a national nuclear-fuel cycle. This must be done for two reasons: the country has two dependable energy-carriers—coal and uranium, which are available in sufficient quantities. The committee chairman believes that only they can guarantee the independence of the Ukrainian power industry. If Ukraine continue to get fuel from Russia, it will be compelled to curtail its unique uranium and zirconium mining and processing potential and its production of rare-earth metals. Hundreds or even thousands of workplaces could be created by embarking upon an independent road in this field.

According to Umanets' estimates, the production of nuclear fuel could be organised in the course of the next five or seven years at the level of world standards. As to economic efficiency, it is worth noting that one kilogram of uranium costs 100 U.S. dollars, but its price reaches 1,000 dollars if it is packed in fuel asseblies. He said that the Ukrainian nuclear fuel programme was calculated for approximately ten years. Its implementation will cost 1 billion 200 million dollars.

Umanets explained his committee's attitude to the Chernobyl nuclear power plant. He said that the operation of Chernobyl generating units could be continued after proper modernisation and provided they are made safer. This is confirmed by the conclusions of 170 eminent experts from 12 countries, taking part in the international project entitled "the safety of project decisions and of the operation of nuclear power plants using RBMK-1000 reactors". In keeping with this project, the state committee for nuclear energy and the state committee for atomic inspection have jointly worked out measures, the implementation of which will cost 500 million U.S. Dollars. Umanets believes that this will allow to save billions of dollars that would have to be spent to close down the Chernobyl power plant. This will also help save the basic equipment worth three billion U.S. Dollars. Moreover, these measures will allow the country to get 20 billion kilowatt hours of electriciy a year and even to export some of it.

According to Umanets, Ukraine could agree to close down the Chernobyl plant, but only on one condition. This could be done only after the construction of two generating units of a new generation in the area of Slavutich, where the personnel of the power plant is housed. This would settle the problem linked with the employment of the town's population of thirty thousand.

The chairman of the Ukrainian State Committee for Nuclear Energy believes it is important to merge the power systems of Ukraine and Russia. In his opinion, Ukraine and Russia could, if this problem was settled, jointly supply electric power to foreign countries, which would help them "conquer" outside markets. Umanets recalled that 30 billion kilowatt hours of electric power used to be transmitted across Ukrainian territory in Soviet times. He believes that Russia could now restore its forfeited positions by re- establishing mutually profitable cooperation with the Ukrainian power industry. The two power systems could be merged quite quickly given a correspodning political decisions.

Expert Views G-7 Chernobyl Plant Issues

AU2511161794 Kiev HOLOS UKRAYINY in Ukrainian 22 Nov 94 p 4

[Interview with Mykola Shteynberh, chairman of Ukraine's State Commission for Atomic Supervision and deputy chairman of the Board of IAEA Managers, by Oleksiy Breus; place and date not given: "The G-7 Demands Regarding the Chernobyl Atomic Electric Power Plant Are Currently Unjustified"]

[FBIS Translated Text] A year ago, it seemed that the fate of the Chernobyl Atomic Electric Power Plant [AES] was about to be decided. The Ukrainian parliament gave its blessing to the plant's continued operation. However, after an IAEA commission familiarized itself with the atomic plant in March 1994, Hans Blix, director general of the agency, wrote to then Ukraininan President Kravchuk. H. Blix insisted on raising the issue at an international level. Ultimately, this took the form of the G-7 demands for Ukraine to close down the Chernobyl AES.

Ukraine's top leadership seems to share the G-7's concern. At any rate, participants in the recent conference held by President L. Kuchma with the participation of Premier V. Masol and First Vice Premier Ye. Marchuk stated that they supported the international community's position regarding the need to shut down the Chernobyl AES, although with reservations: Ukraine's technological and financial possibilities must be taken into account. Those possibilities, in turn, depend to a certain extent upon Ukraine's fulfillment of the G-7's demands, which is the condition for granting Ukraine world financial assistance.

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Does the Chernobyl AES really present a threat to the world's safety? How objective are the G-7's demands? These and other questions are answered by Mykola Shteynberh, chairman of Ukraine's State Committee for Atomic Supervision and deputy chairman of the IAEA Board of Managers.

[Shteynberh] The report by the IAEA commission that visited the Chernobyl AES does not contain conclusions that would suggest the need to urgently halt the operation of the plant. Moreover, at the beginning of the report, there is an impressive entry to the effect that the Chernobyl AES is operated by highly skilled and responsible personnel, who have a remarkable understanding of the characteristics of the equipment employed there. I believe that this very diplomatic phrase reflects the true situation quite well.

[Breus] However H. Blix' letter to L. Kravchuk points out that international safety regulations are not adhered to at Chernobyl ....

[Shteynberh] As far as I am concerned, H. Blix wrote that letter after he had spoken to experts who had inspected the plant. He is right, because all AES, and not only Chernobyl, on the territory of the former Union do not conform to European standards. There is nothing new about that. This is well known.

In a more recent report by experts, there are remarks on safety, the quality of the equipment, technology, and design. No more than that. All of these shortcomings are also known to us. The report, incidentally, also points to positive aspects in the plant's operation.

In addition, prior to the May G-7 session, two international studies analyzing the RBMK [high-capacity reactors] were completed. In accordance with the first, financed by the European Union, an analysis of safety of the RBMK at the second unit of the Ignalina AES (in Lithuania) and at the third unit of the Smolensk AES was conducted. The second study, "Barselinna," was expected to make a probabilistic assessment of safety regulations and a comparison between the reactors used at the Ignalina AES and the "Barseback" nuclear plant in Sweden, whose government provided funds for the work. Again just remarks were made about the RBMK and their positive qualities, but no conclusions on the need to halt the reactors.

[Breus] What did the G-7 proceed from when it demanded that the Chernobyl AES be closed down?

[Shteynberh] Of course, a psychological aspect, associated with the Chernobyl catastrophe, has made itself felt. The very word "Chernobyl" has negative associations. Even at the plant itself some people would like to rename it. Psychologically, this is understandable.

However, this is not the main thing. It was, undoubtedly, Ukraine itself that provided grounds for the G-7 decision on the Chernobyl AES. I mean the inconsistent behavior of the Supreme Council and government regarding the problem of the plant. In the years since the explosion at the fourth unit, there have been several decisions on the fate of the Chernobyl AES, the deadlines for disabling the units were changed, but then all of that, together with the moratorium on adding new units, was canceled. All this leapfrogging was accompanied by idle talk about raising the AES's safety level. In fact, everything was done very slowly.

Today, from the point of view of safety measures and safety level, the Chernobyl AES is hardly worse than, for example, the Kursk AES, which employs reactors of the same type. However, practically no steps have been taken at the Chernobyl AES—preparation of documentation, acquisition of equipment, improvement of the repairs base, or in other directions ensuring better safety in the future. Precisely these actions, and not hasty political decisions, began to mar the hope for the plant's future.

Statements by former directors of the Chernobyl AES to the effect that their plant is probably the best in the world could not but attract the attention of that same world, because they made people wonder whether that was really the case. However, the world understood everything perfectly well and knew what that talk was worth.

Therefore the G-7's decision is purely political, and it is not in any way based upon technological analysis or technological conclusions.

When Ukraine agreed to halt the Chernobyl AES, it hoped for assistance in commissioning new power capacities that would replace the Chernobyl units. It became clear later that the G-7 was ignoring Ukraine's wishes and offered its own variant. In accordance with the plan developed by the G-7, the disabling of the Chernobyl units will be compensated for by commissioning the sixth unit of the Zaporizhzhya AES and the second unit of the Khmelnytskyy AES. The $30 million, promised by the G-7, and its calls for international financial organizations to provide assistance for Ukraine do not eliminate the problem. Today, the State Committee for Atomic Energy needs more than 18 trillion karbovantsi to commission new units, including restoration of the operation of the second Chernobyl unit (contrary to the G-7 plans). How is one to break this vicious circle?

[Shteynberh] What do we need new units for? Ukraine today is a state with surplus energy.

[Breus] This was not felt at the beginning of the heating season.

[Shteynberh] Radiators are cold because the thermal plants have no fuel. At present, about one-third of the capacities are standing idle. The fuel was burned in summer because the atomic plants had to stand idle.

It is not just a matter of fuel. This year, the production of electricity by atomic power engineering has dropped by 13 percent. Why? Because there is no fuel? Nonsense!

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There are no reserves for two or three years, as has always been the case at atomic plants, but there is enough fuel for their operation now. It was only the Chernobyl AES that reduced its capacity for about three weeks. The rest of the AES's did not experience such acute fuel shortages. The units stood idle not only because of equipment failures, but because they did not conform to safety requirements. Much time was lost by the AES's during repairs, when they resolved safety problems as demanded by the State Committee for Atomic Supervision. Otherwise we would not have allowed them to resume operation. Thus, in addition to the time stipulated by the plan for repairs, the first unit of the Zaporizhzhya AES stood idle for 62 days, the third unit—one month, the first unit at the Southern Ukrainian AES—61 days, and the third unit of the Chernobyl AES—18 days. In other words, because of the shortcomings in safety provisions, a 1 million kilowatt-hours unit stood idle for almost six months. In general, for example, last year, the atomic power engineering lost 9 billion kilowatt/hours of electricity. It may be presumed that, over one year, 1 and one-half million kilowatt/hours units stood idle together with personnel that continued to be paid. This year, which has not yet ended, the shortfall in electricity produced by the AES is about the same. Why build new units when even those that are available do not work? Why create specialized building administrations, which will also stand idle due to the shortage of funds for construction? However, in order to maintain the builders' personnel, it is necessary to pay their wages....

The main reason for all of this is the incompetent management of the branch. Not on the part of the State Committee for Atomic Energy, but in general. We simply do not have a unified power engineering sector; it is totally disorganized. It only remains to create ministries of rivers, cables, and so on—and one may give up Ukraine's independence for lost. Even at government level, the branch does not look like a single complex: Thermal and atomic power engineering are supervised by two different vice premiers. However, in a crisis, all energy complexes—atomic and thermal electric power plants, coal, oil, and gas industries, hydroelectric power plants, and so on—must be supervised by a single person. In that case, it would be possible to avoid disputes among power engineers and come closer to resolving problems in an optimal manner. Today, for example, the State Committee for Atomic Energy, whose interests are limited to atomic problems, demands more financial aid for itself in order to purchase nuclear fuel and complete the building of new units. Thermal power engineers would like to divert those funds to serve their own needs. Each branch strives to be independent at the expense of others and fights the other party.

It is worth paying attention to Russia's experience. Today, the Fuel and Energy Ministry there has united all those branches. The AES's seem to be traditionally on their own, and there are material, technological, and psychological reasons for that. However, the atomic power engineering does not really stand out too much.

[Breus] What should, in that case, be done with unfinished atomic power units?

[Shteynberh] That their construction must be completed I have no doubts. However, when and in which way? Nobody speaks here about the sixth unit of the Zaporizhzhya AES that is practically ready. However, the remaining units, if their building is completed right now, will start operating at about the same time as the Czech unit at Temelin, where, unlike in our case, upgrading precedes its commissioning. Besides, it will be licensed in accordance with Western standards. Then we will be in for a bitter joke: Units of identical type but will totally different safety levels will operate almost side by side. Shortly after the commissioning of the units, we will have to start rebuilding them. Today, there are no units like those at Temelin, but when such a unit is put into operation, it will most certainly be pointed out to us as an example to be followed. Then, nobody will be able to justify himself by the "legacy left by the Soviet Union." Therefore, instead of investing money in construction for the sake of construction, it would be better to see to it that those units—both thermal and atomic—that are currently operating, are in good working conditions, reliable, and safe (which is the main thing). When new and more up- to-date units appear, it will be possible, "under their cover," to restructure our power engineering with a view to the future. Estimates obtained by our Academy of Sciences, Ministry of Economy, Ministry of Power Engineering, and the World Bank, indicate that Ukraine will not need new units until the year 2010.

[Breus] What is, in your opinion, the future fate of the Chernobyl AES?

[Shteynberh] The Chernobyl AES has now started preparations for a comprehensive revision of its safety provisions. It depends upon financing how many years this work will take. However, its results will tell us what decisions to take regarding specific units and not for the entire Chernobyl AES. Generally speaking, the AES cannot be halted—that would be a great technological error.

Our decision will be a technological one. I assume that politicians may ignore it, no matter what it is going to be. However, we must voice our position.

For the time being, it is practically impossible to compare the Chernobyl AES with other plants of the same type—there are no criteria for a full comprehensive assessment of the safety of those units, which use RBMK or any other reactors. That is why statements to the effect that the Chernobyl AES is better or worse than other plants are simply unjustified. It may only be asserted that the level of its safety is worse than that at new-generation atomic plants. However, RBMK reactors also operate at other AES's, but halting them is not

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even considered. I am convinced that the political decision taken by the G-7 is a mistake. It is in fact an ultimatum. As is known, ultimatums do not lead to anything good.

Masol on Russian Gas Obligation, Coal Contract

LD2511205694 Moscow INTERFAX in English 1844 GMT 25 Nov 94

[FBIS Transcribed Text] The issue of supplying Ukraine with energy remains one of the most complicated problems at the present moment, Ukrainian Premier Vitaliy Masol told the heads of the city and district administrations in Kiev today.

He said that by November 24 Russia had fulfilled its annual obligations on natural gas delivery to Ukraine.

Ukraine's debt for natural gas amounts to $1.7 billion.

Masol stressed that a schedule for paying the debt for Russian energy supplies must be worked out urgently. "We are playing with fire," he added. He said Ukraine could be told to pay its debt any day.

Masol added that the situation with coal in Ukraine facing the coming winter was also difficult. He said he was ready to ask the people to agree for a month-delay in payment of wages for purchasing coal, if necessary.

Masol said he was in favor of closing unprofitable mines. "We cannot afford such subsidies today. It is more beneficial to import coal," he added.

Masol said he had signed a contract for buying 10 million tonnes of coal with Russia today.

Ministers Ensure Fuel Supply to Power Stations

LD2611093594 Kiev Ukrayinske Radio First Program Network in Ukrainian 0500 GMT 26 Nov 94

[FBIS Translated Text] To improve the situation with the supply of fuel to Ukraine's electric stations, the Cabinet of Ministers has instructed the Industry Ministry to ensure, via the respective subordinate enterprises, metallurgical and chemical products export deliveries under the state contract in November and December of 1994, proceeds from the sale of which are to be used to purchase coal and fuel oil for electric stations.

Ministry on Decline of Power Use, Production

LD2711212994 Kiev UNIAR in Ukrainian 2015 GMT 27 Nov 94

[FBIS Translated Text] In the first 10 months of 1994 Ukraine produced 164 billion kilowatt hours of electric power, which was 13 percent less than in the corresponding period of last year. At the same time, consumption of electric power, particularly by industry, fell by approximately the same amount. According to data from the Ministry of Energy and Electrification, during the accounting period the population increased its power consumption by 5 percent, although payment for power fell by 2 percent. The main debtors are the large enterprises. At the beginning of November the total of such debts amounted to 7.4 trillion karbovantsi. The complex financial situation is forcing energy producers to apply for credits from the banks in order to buy fuel. The problem of settling debts is one of the most important problems facing the Ministry of Energy.

Miners Continue Work, Hunger Strike

AU2811092794 Kiev HOLOS UKRAYINY in Ukrainian 24 Nov 94 p 1

[Unattributed report: "They Are Holding a Hunger Strike, but Nobody Pays Any Attention to Them"]

[FBIS Translated Text] As reported by the Press Service of Ukraine's Free Trade Unions Executive Committee, miners at 15 Kryvyy Rih mines, the Mine Building Administration, and the Southern Ore Concentration Combine have been on strike for more than one week. Some of them have begun to refuse taking food. Altogether 22 miners resorted to the latter form of protest against the continuing impoverishment of workers. The hunger strike and the strike proper will continue until the government meets the miners' demands.

Kuros Receives Crimean Commission Appointment

LD2511183094 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 25 Nov 94

[FBIS Translated Text] The Cabinet of Ministers has resolved to appoint Ukraine's Deputy Prime Minister Ivan Kuros as chairman of the republic's Commission for the Deported Peoples of Crimea, replacing Vasyl Yevtukhov.

Official on Crimean Budget Improvement

LD2511150594 Kiev UNIAR in Ukrainian 2300 GMT 24 Nov 94

[FBIS Translated Text] Sevastopol, 24 Nov—The state of the Crimean budget has considerably improved, Crimea's Finance Minister Vilord Apananskyy said in an interview with the KRYMSKAYA PRAVDA newspaper. Whereas revenue expectations in the first quarter of 1994 were met by 68 percent, budgetary revenue in the nine months of this year came to 95.4 percent. The success was attributed to Crimea's consistent tax cuts boosting trade and production activities and, as a result, the receipt of funds by the state treasury both from Crimea and Ukraine.

Air Force Commander on Combat Readiness

LD2611210994 Kiev Radio Ukraine World Service in Ukrainian 1700 GMT 26 Nov 94

[FBIS Translated Text] Ukraine has an air force with a sufficient combat capacity to fight off any enemy,

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Ukraine's air force commander, Lt-Gen Volodymyr Antonets, said at a news conference for Ukrainian and foreign journalists. The news conference followed a control exercise in flight training held as part of an annual report by the bombardier regiment of the Lutsk aviation division.

Ukraine's air force has every means to maintain its combat readiness on a long term basis, Volodymyr Antonets stressed. Speaking on the present problems, Antonets placed special emphasis on the shortage of fuel and lubrication materials. As regards technical maintenance, the problem is being solved through contacts with producer plants in CIS countries.

It was noted at the news conference that fighting planes of the latest modification are currently being completely overhauled and upgraded.

The exercise was covered by Ukrainian and foreign journalists accredited in Kiev.

BSF, Ukrainian Officers Urge End to 'Division'

LD2511174094 Moscow INTERFAX in English 1602 GMT 25 Nov 94

[FBIS Transcribed Text] Officers of the Black Sea Fleet and the Ukrainian Navy urged the Russian and Ukrainian leaders to find an opportunity for "putting an end to the destructive division of the earlier powerful potential of our armed forces, the navy and the Black Sea Fleet in particular."

The open letter to the leaders of the two countries circulated today says that the two countries must act on the basis of the principle of unification and joint utilization of the armed forces instead of the principle of dividing the army and the fleet.

Russian and Ukrainian navy officers said this would be "the most efficient practical way for bringing our people closer together." They said they regretted that "our peoples are now divided not only by politicians but also by the power structures."

Russian and Ukrainian officers paid special attention to the coming Ukrainian-Russian summit. They said they hoped that the summit would bring real results as it had been prepared for carefully.

Russian and Ukrainian officers also said that "if necessary, thousands of our officers and sailors will sign the letter as well as veterans of the Armed Forces and the Great Patriotic War." They said that, however, most of all they wanted to see the signatures of the Russian and Ukrainian leaders under the letter.

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Belarus

Lukashenka, Moscow Discuss Fuel, Energy Debt

LD2511205494 Moscow INTERFAX in English 1844 GMT 25 Nov 94

[FBIS Transcribed Text] On Friday Belarusian President Alyaksandr Lukashenka was forced to postpone his meeting with leaders of creative unions due to the need for urgent telephone consultations with the Russian leadership regarding deliveries of fuel and energy to the republic, the presidential administration reported to Interfax.

According to available information, he, in particular, spoke about coordinating schedule of payments of the Belarusian debt amounting to $420 million for the gas deliveries which the Belarusian party promised to transfer to the joint stock company Gazprom before December 3.

From November 16 Russia has reduced gas deliveries to Belarus by 50 percent (from 53.8 to 26.9 million cubic meters a day) due to non-payments of debts. However, the Belarusian leadership reassured that the scheme of debts compensation would be presented by November 18 and Russia resumed gas deliveries to the republic in the same volume. At present 90 percent of Belarus' requirements in gas are compensated by Russian gas.

In the course of the dialogue between Minsk and Moscow on gas deliveries the Belarusian party proposed to Russia a list of enterprises on the basis of which they can create joint stock companies. However, Moscow did not accept the proposed variant and demanded to propose new variants on corporatization of Belarussian enterprises. Russian partners are primarily interested in oil and chemical enterprises and in oil pipelines.

Lukashenka, Regional Leaders Discuss Reforms

LD2511164994 Moscow INTERFAX in English 1524 GMT 25 Nov 94

[From the "Presidential Bulletin" feature]

[FBIS Transcribed Text] "All leaders of regional executives, even the most diligent ones, must resign and prove their competence and worthiness by ordinary work", several initiative groups have told President Lukashenka. Those initiative groups supported him during his election campaign.

Lukashenka received their leaders behind closed doors in Minsk on Thursday.

Presidential adviser Aleksandr Posokhov said afterwards that President Lukashenka was aware of how tired the people were of the arbitrariness and corruption on the part of local authorities. Posokhov said that some regional authorities had become centers of conspiracy resisting presidential reforms. Posokhov said that President Lukashenka was going to appoint new leaders of regional executive committees over the next week and then to take part in the sessions of regional councils, where his nominees would be approved in public.

Posokhov said that the question of power remained the main one. He is certain that the people are prepared to put up with high prices and social problems for a certain while, but they can no longer tolerate the fact that financially and morally bankrupt officials of the previous apparatus are still in power. Posokhov said that among the people there were enough gifted personalities who would be able to take vacancies at the regional level.

Posokhov said President Lukashenka supported the proposal for setting up committees for assistance to the law-enforcement agencies, which must acquire a juridical status and serve as another support for the president in the struggle against corruption.

The participants in the meeting drew President Lukashenka's attention to what they described as linguistic unrest in the country. They warned President Lukashenka against the Belarussianization of secondary schools and institutions of higher learning, because in their opinion that would reduce interest in knowledge and science. IF Note: Belarussian is the official language in Belarus, and Russian has the legal status of the language of inter-ethnic communication. Under the education doctrine of the previous leadership all teaching in secondary schools and institutions of higher learning began to be conducted in Belarussian. In a number of regions there have been organized protests by parents against the Belarussianization of secondary and higher education.

President Lukashenko ordered the Education Minister to poll the parents of school students on what language of instruction they would prefer for their children and to make an appropriate decision after January 1.

Lukashenko has described as a provocation attempts by Sergei Gaidukovich, a former member of ex-Prime Minister Vyacheslav Kebich's staff, to establish himself as the leader of the public movement called "Purification", which supports the current Belarussian authorities. The presidential press service chief Aleksandr Feduta said in a statement on Thursday President Lukashenko was certain that Gaidukovich's intention to change his political bearings concealed forces that once held the steering wheel of power and were now interested in destabilizing the situation.

IF [Interfax] Note: In the staff of the former Prime Minister Vyacheslav Kebich Lieutenant-Colonel Gaidukovich worked in the National Security Department. Shortly before the introduction of presidency in Belarus he led the Popular Movement, uniting about 20 pro-Communist organizations, which then backed the then Prime Minister Kebich. On the eve of the presidential elections the PMB split and it was only after November 23 that Gaidukovich emerged in the political scene again, this time as the leader of the "Purification" movement and advocate of presidential policies.

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"The President feels no need for the services of Mr Gaidukovich or of the organizations he once led, leads now, or may lead in the future. The President will not resort to their services even if his life at stake", A. Feduta said.

President Admits Some Economic Reform Failures

LD2611162694 Moscow INTERFAX in English 1424 GMT 26 Nov 94

[FBIS Transcribed Text] Belarussian President Alyaksandr Lukashenka released on Saturday a statement, explaining the economic essence of a decree he signed recently to bring prices to the early November level. "As the liberalization of prices early this month was not coordinated with measures to socially protect the least provided population groups, the balance between growing prices and citizens incomes was sharply upset," the statement says.

For this reason, the president had to adopt "by his authority a decision to somewhat regulate the prices of separate food stuffs and socially support the strata of society that have suffered most from this."

Lukashenka underlines that "strategically, this least of all means the abandonment of the principle of free price formation as a market basis for the reforms underway in the country."

However, he admitted economic reform failures "to create a market competition environment, privatize production and lift the monopoly on it, further liberalize foreign trade, and apply a bankruptcy mechanism."

Some observers argue that Lukashenka's clarification was prompted by the November 21 IMF decision not to consider the issue on granting a $308 million worth credit to Belarus. IMF motivated its resolution by the fact that Minsk is continuing its policy of the state regulation of prices.

Officials Affirm Legality of Missile Sale

LD2511215194 Moscow ITAR-TASS World Service in Russian 1520 GMT 25 Nov 94

[FBIS Translated Text] Minsk, 25 Nov (BELINFORM-TASS)—The Belarusian presidential administration's Board for Public and Political Information denies that the sale of an S-300 PMU missile system is illegal. "The Belarusian and Russian mass media have recently been discussing a contract for the sale by Belarus of an S-300 PMU missile defense system," a report by the board in today's NARODNAYA GAZETA says. "It seems as though the authors of these well-known publications consider the very fact that Belarus is taking part in the international arms trade to be something scandalous and sensational," the report says.

The authors of the document claim that one cannot fail to notice that these publications have appeared at a time when Belarusian- Russian relations are marked by certain progress, first of all in the economic sphere.

The authors of the statement draw attention to the fact that Beltekheksport concluded this contract in July 1994 and, referring to a reply by V. Peftiyev, chairman of the board of this organization, they claim that "an export version of the S-300 PMU system, which is not on alert duty, is being prepared for sale." Belarus did not buy the system from Russia, as may seem to be the case from the publications, but it was manufactured in the former Soviet Union—incidentally with the participation of Belarusian institutes and enterprises—and the republic acquired it on becoming independent. Such systems were left in Bulgaria and the Slovak Republic following the collapse of the Warsaw Pact. In Russia itself, this system is included in the list of armaments which may be exported. In 1993, the document states, Russia exhibited the S-300 PMU in Abu Dhabi, carrying out operational launches and disclosing all tactical and technical data.

Minsk Expels Turkish Diplomats For Espionage

LD2511132994 Moscow Russian Television Network in Russian 1300 GMT 25 Nov 94

[From the "Vesti" newscast]

[FBIS Translated Text] Two attaches at the Turkish Embassy in Minsk were declared personae non gratae today in view of their activities which were incompatible with their diplomatic status.

This is the first case of its kind with foreign diplomats in independent Belarus.

In Minsk yesterday Belarus KGB operatives detained a resident of Grodno who had been recruited by Turkish special services.

A "Vesti" correspondent was told at the Belarus Foreign Ministry that the possibility of evicting the Turkish Embassy from its present premises in the CIS headquarters is being discussed.

Moldova

NATO Examines Dniester Conflict

AU2611184394 Chisinau BASAPRESS in English 1930 GMT 24 Nov 94

[FBIS Transcribed Text] Chisinau BASAPRESS, 24/11/1994—On November 15-18, the NATO Parliamentary Assembly held its session in Washington. A Moldovan parliamentary delegation headed by Deputy Speaker Nicolae Andronic attended it, states a Foreign Ministry communique. Among other things it says: "The NATO Parliamentary Assembly Political Commission discussed the report 'Pacification in Dniester—a Test for the CSCE,' presented by American Congressman Gerald Solomon. The report was a successful and objective

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endeavour to reflect the evolution of the Dniester conflict." The Commission made recommendations to the states directly or indirectly involved in the conflict, especially to Russia which is requested to honour its obligations. It also recommends a more active participation of international organizations in settling the conflict in Eastern Moldova and monitoring the 14th Army's withdrawal. The Assembly also recommended the CSCE Council of Ministers examine the possibilities of sending multinational peace keeping troops to Moldova. The Civic Affairs Commission adopted the resolution "Support for Developing Democracies in Belarus, Moldova, Russia and Ukraine" which greets the creation of democratic institutions over the last three years in these states. Parliamentary sources relay that Gerald Solomon called on Russia and Romania not to interfere with Moldova's domestic affairs. Dumitru Diacov, head of the Parliamentary Commission for Foreign Relations, told BASA that "this wasn't Moldova's initiative." He said that this appeal was a result of the recent political disputes between Romanian and Moldovan officials which were perceived by the American Embassy to Chisinau. "It is true that the Moldovan representatives forwarded no protests, which is quite normal since we want mutual respect," said Diacov.

UN Envoy Calls For Western Assistance

LD2711091694 Moscow ITAR-TASS in English 0726 GMT 27 Nov 94

[By ITAR-TASS correspondent Boris Sitnikov]

[FBIS Transcribed Text] United Nations November 27 TASS—Moldavia [Moldova] has called on the West to ensure the final withdrawal of the 14th Russian Army from the Dniester region and carry out a peace-keeping operation there. This was announced by Moldavia's permanent representative at the United Nations. His statement was circulated at the U.N. headquarters on Saturday.

The statement said that at an annual session of the North Atlantic Assembly in Washington and during a series of meetings with the U.S. Vice-President Albert Gore and officials from the U.S. State Department and the Pentagon, Deputy Chairman of the Moldovan Parliament, Nikolae Andronic, called on the West to take part in a peace-keeping operation in Moldavia.

"Russia will withdraw the majority of its peace-keeping contingent from Moldavia, declaring that it can no longer finance expenditures on the operation and that the situation in the region is stable. The vacuum is being filled by Dniester forces who were allowed by Russia to be stationed at positions in the disengagement zone in violation of a truce agreement," the statement said.

It was pointed out that "Andronic had called on the West to give support in order to ensure the withdrawal of the 14th Russian Army from Moldavia and exercise control over the army withdrawal. Although a Russo-Moldavian agreement on the withdrawal had been signed, it will not come into force and will not be mandatory until the Russian Government fully approves it."

Andronic has also confirmed that Moldavia "refused to be presented in the international arena as a supranational or coordinating body of the CIS," the statement said.

Russian General Discusses Troop Cutbacks

LD2511175794 Moscow ITAR-TASS in English 1601 GMT 25 Nov 94

[By ITAR-TASS correspondent Sergey Aprelev]

[FBIS Transcribed Text] Tiraspol November 25 TASS—Russian Deputy Defence Minister Lieutenant-General Georgiy Kondratyev, who is on a visit in Moldavia [Moldova], is discussing cuts in Russian peacekeeping forces and weapons with Moldavian and Dniester region's high-placed officials.

Kondratyev said in an interview with ITAR-TASS that Moscow and Kishinev [Chisinau] had signed an agreement on withdrawal of the Russian 14th Army, but "there is no mechanism for implementing it."

According to Kondratyev, "it would be simply absurd to press 14th Army Commander General Lebed to give any withdrawal schedule now."

Kondratyev stressed that only reduction, not withdrawal of Russian peacekeepers was considered. Kondratyev participated in the latest meeting of a joint monitoring commission which decided "not to make the safe area narrower." The commission agreed that the peacekeeping would be continued using less forces. The Russian general said the question of Russian withdrawal was not raised during his taiks with Moldavian Defence Minister Pavel Knyage.

Kondratyev visited the 14th Army's units today. He addressed the servicemen, stressing that the Russian peacekeepers had to continue their mission in the Dniester region.

Kondratyev also met Igor Smirnov, the president of the Dniester enclave.

Official on Violations of Foreigners' Rights

AU2611145794 Chisinau INFOTAG in English 1900 GMT 23 Nov 94

[FBIS Transcribed Text] Chisinau INFOTAG, 23/11/1994—Moldovan president's press secretary, Vasile Grozavu, has refuted accusations by a group of foreign journalists accredited in Moldova, who had claimed he had violated their right for obtaining information.

As INFOTAG reported earlier, the correspondents of the Russian newspapers of NEZAVISIMAYA GAZETA, IZVESTIYA, TRUD, ROSSIYSKAYA GAZETA, PRAVDA, Russian news agencies of ITAR-TASS and

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RIA-NOVOSTI, and the British news agency REUTER sent a letter to the president, parliament chairman, and foreign minister with complaints that, because of press secretary Grozavu, they had been deprived of a possibility to get information—in particular, on the visit to Moldova of the UN Secretary General Butrus Butrus-Ghali and of the Turkish President Suleyman Demirel. The authors of the letter accused Grozavu of dividing journalists into "domestic and foreign" ones.

"In connection with these groundless claims, I have all the responsibility to state that the journalists had appropriate accreditations and access to the news conferences of the political figures in question," Grozavu's statement reads.

He also denied the accusation that "the information coming from the presidential press service is extremely poor."

"The press secretary promptly informs the media, which could be proved by all republican and foreign information agencies," Grozavu writes.

He stressed his adherence to a tactful cooperation with the representatives of "well-disposed" media, and expressed hope the above authors would be among them.

Topol Blames Chisinau for Armed Incident

AU2611150094 Chisinau INFOTAG in English 1900 GMT 23 Nov 94

[FBIS Transcribed Text] Chisinau INFOTAG, 23/11/1994—President of the unrecognized Gagauz republic, Stepan Topal, named the last week's armed incident in Vulcanesti "an action planned well in advance by the Moldovan Interior Ministry."

At today's news conference here he said that "the accusations against the Gagauz guardsmen are being used by the ministry to camouflage the low professional skills of interior officers."

"The expertise undertaken by Chisinau criminologists have shown that 90 bullets were shot at the guardsmen's car, which obviously indicates that the people inside were attacked, not attackers. And if the police really wanted to seize ex-guardsman Kostev, they could have done it long before. Criminal proceedings against him were initiated as long ago as in May, after which he was dismissed from the Bujak Battalion," Topal said.

He confirmed the official Gagauz attitude that the incident had been deliberately provoked to prevent the consideration at the second reading of the Gagauz status draft law, scheduled for November 17-22.

Also today, the Gagauz leadership distributed an official statement concerning the armed incident, which was classified as "an unfriendly act against the Gagauz people."

The document reads that "by undertaking such actions, certain forces in the Moldovan leadership are seeking to de-stabilize the situation in Gagauzia, to threaten its population, and to undermine the adoption of the status draft law at the second reading by the Moldovan Parliament."

The statement demands from the Chisinau leadership to dismiss Dumitru Postovan from the post of the prosecutor general for his negligence in organizing the prosecutor supervision and for undertaking no crime-prevention measures.

Gazprom on Inability To Divide Gas Debt

LD2511170294 Moscow INTERFAX in English 1407 GMT 25 Nov 94

[FBIS Transcribed Text] The leadership of the Russian joint-stock company Gazprom has said that it considers Moldova a single state and cannot divide the debt for the natural gas supplied to the Moldovan consumers into Kishinev [Chisinau] and Tiraspol debts.

This statement was made in an interview with the Petroleum Information Agency by Deputy Prime Minister of the self-proclaimed Transdniestrian Moldovan Republic, Viktor Sinev.

He said that during the talks in Moscow between Moldovan Prime Minister Andrei Sangheli and Gazprom leader Rem Vyakhirev, Gazprom's management said that Kishinev and Tiraspol must agree on a mechanism of payments for gas supplied from Russia to Moldova. Taking part in the talks was also Chairman of Transdniestrian Parliament Grigore Marakutsa.

Sinev also said that Moldova's total debt for Russian gas supplies now stands at $205 million, with Transdniestria's share being approximately $60 million.

The greater part of the electric energy produced thanks to Russian gas is supplied to Moldovan consumers.

Earlier, Moldovan Deputy Prime Minister Valentin Cunev said that 65 percent of the Moldovan debt to Gazprom falls on Transdniestria.

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Kazakhstan

Official Denies Talks With Iran on Uranium Sales

LD2511185694 Moscow INTERFAX in English 1711 GMT 25 Nov 94

[From the "Diplomatic Panorama" feature: Reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgenit Terekhov and others]

[FBIS Transcribed Text] Alma-Ata [Almaty] did not hold any talks with Iran on sale of high-enriched uranium, Kazakh Deputy Foreign Minister Bulat Nurgaliyev told Interfax Friday [25 November]. He categorically dismissed the allegations that if the U.S. had refused to purchase uranium from Kazakhstan, the latter would have sold it to Iran. "Such a variant was not even considered," he pointed out.

As has already been reported, the operation involving the transfer of about 600 kilograms of high-enriched uranium stored at the Ulbinsk Metallurgical Plant to the U.S. was accomplished earlier this week.

According to Nurgaliyev, "if none of the depository states to the non-proliferation treaty—Russia, the U.S. or the U.K.—had showed interest in purchasing this uranium, it would have been transferred under IAEA guarantees at the same place where it was previously stored—at the plant's storage facility."

The diplomat emphasized that "no leakages of radioactive materials which could be used in nuclear weapons have ever taken place in Kazakhstan." "We sell uranium on the U.S. and European markets only with notification and under supervision by the IAEA. The uranium market is stable, and Kazakhstan follows the way worked through by the former Soviet Union," he pointed out.

Nurgaliyev said Alma-Ata did not maintain any contacts with Iran in this field.

Vice President Receives Visiting ICO Head

LD2511191394 Almaty Kazakh Radio Network in Russian 1500 GMT 25 Nov 94

[FBIS Translated Text] Today Kazakh Vice President Yerik Asanbayev received an Islamic Conference Organization [ICO] delegation headed by Hamid Algabid, its secretary general, who arrived in Almaty on an official visit yesterday.

The vice president noted that President Nursultan Nazarbayev's initiative on holding a conference on cooperation, peace, and confidence in Asia is advancing purposefully. In this context, the country's leaders are taking a very balanced and well-grounded approach to membership of the ICO, regarding it as an additional opportunity to develop the country's economy and culture and its people's spirituality.

Hamid Algabid expressed the hope that Kazakhstan's relations with the ICO will strengthen. He also expressed readiness to study the ecological situation in the republic and to discuss the issue of effective assistance at the ICO headquarters to help solve these problems.

Foreign Minister Kasymzhomat Tokayev also received the ICO delegation today. An agreement on continuing contacts was reached, specifically that experts from Kazakhstan will be sent to the ICO headquarters. This evening the ICO delegation is leaving Kazakhstan for Azerbaijan.

Kyrgyz Premier Discusses Economic Cooperation

LD2511182394 Moscow Mayak Radio Network in Russian 1630 GMT 25 Nov 94

[FBIS Translated Text] Progress in the implementation of the agreement on trade and economic cooperation between Kazakhstan and Kyrgyzstan was discussed in Alma-Ata [Almaty] today by Kazakh Prime Minister Akezhan Kazhegeldin and his Kyrgyz counterpart Abbas Dzhumagulov.

As a result of the talks, a protocol was signed aimed at further deepening and broadening mutually advantageous state ties.

Almaty Calm About Cool Reaction to Eurasia Union Idea

LD2511164694 Moscow INTERFAX in English 1407 GMT 25 Nov 94

[FBIS Transcribed Text] Russia remains a priority direction in the country's foreign policy and will remain so for years to come or perhaps forever, Kazakhstan's Foreign Minister Kasymzhomat Tokayev said on Friday [25 November]. "We are destined to live together," he told INTERFAX.

In his words, Russian President Boris Yeltsin's noncommittal reaction to Alma-Ata's [Almaty] proposal for a Eurasian Union will not mar bilateral relations. "The Russian president did not reject the idea as such apart from saying it was early days to discuss it," Tokayev said.

The EAU concept was neither rejected nor frozen until better times, but will be used to build up the potential of the existing Commonwealth, he said.

Tokayev spoke of sending a letter to his Russian counterpart Andrey Kozyrev to reaffirm Alma-Ata's agreement on next month's summit meeting between Nazarbayev and Yeltsin.

Tokayev does not rule out that Nazarbayev himself will send a similar message to the Russian leader in the next few days.

However, the Kazakh minister emphasized that the summit question is still to be clarified. "No final understanding has yet been achieved," he said.

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Foreign Minister Warns Against Dual Citizenship

LD2511193594 Moscow INTERFAX in English 1711 GMT 25 Nov 94

[From the "Diplomatic Panorama" feature by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] Kazakhstan's Foreign Minister Kasymzhomat Tokayev is flatly against the introduction of dual citizenship in the republic.

In an interview with Interfax in Alma-Ata [Almaty] he said that dual citizenship in Kazakhstan may be a serious source of instability and entail heavy consequences. The demographic situation in the republic is such that the institute of dual citizenship may be a serious source of destabilization.

"We must not divide people in two categories: those who have two passports and those who have only one," he said.

The Minister believes that not only the Russians living in Kazakhstan would like to have dual citizenship. "Let's not forget the fact that the United Nations and other international organizations do not believe as useful the concept of dual citizenship," he said. "Besides, we should take into account the specific features of different republics of the former Soviet Union. What is possible in Turkmenistan may be unacceptable for Kazakhstan or the Baltic republics."

Tokayev said that Alma-Ata "shows great respect for the state doctrine of the Russian Federation concerning dual citizenship." "But we ask not to reject our concept which proceeds from Kazakhstan's realities," he said.

Speaking about migration, Tokayev expressed regret concerning the exodus of Russians from the republic ("IF" [Interfax] note: according to Kazakhstan's statistical committee, 220.4 people, among them 57.2 of Russians, left the republic in the first six months of 1994).

According to the Minister, among the Russians who emigrated, there is the prevailing number of highly-qualified intellectuals—teachers, doctors and engineers. "I believe," said the Minister, "that only economic problems are behind the exodus." But as President Nazarbayev said, evident here are factors associated with the people's political and social feelings. Tokayev believes that Kazakhstan should be multinational with the prevailing number of two main ethnoses: Slavs—Russians and Ukrainians, and Kazakhs plus Uigurs who are close to them in culture, Tatars and other nationalities.

We underestimate the polyethnic potential. According to polytologists, given the right economic and social infrastructure, a polyethnic state have good prospects in the next millennium, he said. On the whole, to stop migration, we need a Kazakhstan's countrywide idea.

The Minister said that practically prepared for the signing is the document regulating the procedure of receiving citizenship. "I mean the agreement on simplified reception of citizenship, as well as the document which determines the legal status of the Russian citizens who permanently live in Kazakhstan and vice versa. I believes, he said, they could lift the tensions, which some quarters in Kazakhstan have," he said.

Tokayev said that only some insignificant points are yet uncoordinated. We, he said, do not yet have a single view on what posts citizens of one country living in the other should occupy, he said.

He voiced hope that his visit to Moscow and his talks with Russian Foreign Minister Andrey Kozyrev in mid December will help solve many problems.

Tokayev favored the development of a Kazakhstan's idea which will be necessary to stop migration. "I cannot imagine Kazakhstan as a mono-ethnic state," he said.

Deputy Premir Sobolev on State of Economy

LD2711121794 Almaty KAZAKHSTANSKAYA PRAVDA in Russian 22 Nov 94 p 1

[FBIS Translated Text] On Friday [18 November] Deputy Prime Minister Viktor Sobolev met journalists. The news conference was devoted to the first anniversary of introducing the national currency. During this period production has continued to fall, prices have gone up 1,500 percent, 0.8 percent daily, and inflation has been painful. But the first signs of macroeconomic stabilization can already be seen, Sobolev believes.

If during the first months following the introduction of the national currency the daily growth of prices was between 1.5 and one percent, then in August-September it went down to 0.4 and 0.3 percent daily. The level of daily inflation in October and so far in November—0.6 percent—is considerably lower than the level for the whole of the previous year—0.8 percent. The government and the National Bank, by conducting a moderately tough credit and finance policy, intend to reduce inflation to 0.2-0.25 percent daily by the end of the year.

Inflation on the whole, as is known, characterizes the degree of stability or instability of the economy and its predictability. The smaller the growth in prices is during as long a period as possible, the more stable and predictable is the economy. When inflation is high citizens will try to get rid of money. Goods are bought either to be hoarded or for reselling. And in this situation demand will grow and prices increase.

A positive factor is the deceleration of the tenge's exchange rate against the dollar. During the last five months it has not exceeded 0.25 percent daily. Maintaining this tendency for the next six to eight months will allow a move toward tying the tenge to the dollar. This will strengthen the confidence of investors and turn money toward the development of production.

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Since November 1993 average earnings have grown 980 percent with a daily increase of 0.66 percent. During the last four months, however, the growth in earnings overtook the growth in prices. We know from the experience of the end of last year that at that time a quick short-term growth in earnings led to a massive growth in prices that brought to naught all the efforts to increase earnings. Now such a situation will not be repeated. The present increase in average earnings exceeds the growth of prices only slightly, and the tenge will not be "heated up," like at the end of last year, by a high level of inflation and a fairly quick fall in the tenge's exchange rate against the dollar.

Today average earnings are $60-65. In November last year it was the same, though in April-May they fell to $20-25. Today the situation differs for the better from a year ago. Now a stable tendency in the tenge-dollar exchange rate has been formed and preserved, and correspondingly, the value of earnings in dollars has also stabilized, which was not the case in November 1993.

A most important indicator of the stability of the economy is the size of bank interest rates, in other words, the annual cost of loan facilities. The National Bank is conducting a policy of expensive credits. This allows the credit system to be protected from the squandering of resources, but at the same time, it lays a heavy burden on production costs. There is one way out—achieving positive bank interest rates, so that any producer of goods can correlate expected income and expenditure with the benefit of their capitalization in the bank before organizing his business. In conditions of high interest rates and inflation this is impossible.

In lowering inflation to single figures and maintaining it at this level for a long time it is possible to speak about positive bank interest rates. This will allow the creation of a favorable investment climate in the republic. Money will go toward increasing production and the flow of capital abroad will decrease.

Deputy Prime Minister Viktor Sobolev said: "All together the dynamics of these indices has led to a situation where for the last four to five months it has been more advantageous to be paid in tenges than in dollars. At the same time, the advantage of a hard currency is preserved for saving money. Interest in the tenge, as a means of payment, is increasing. This is very important for the economy."

New Department To Fight Corruption in Prosecutors' Offices

LD2611131194 Almaty Kazakh Radio Network in Kazakh 0200 GMT 26 Nov 94

[FBIS Translated Text] Deputy Prosecutor General Vladimir Shvedyuk gave a news conference in Almaty on 25 November. He said that the serious situation in the Kazakh law enforcement bodies is a topical problem for the whole society. In fact, he believes this problem results from the changes that have occured in the society's mode of life. The level of moral values has decreased, thus inflicting significant damage to the reforms that are under way. During the previous five years the crime rate has doubled. Law enforcement bodies are facing the problem of new crime types—administrative crime in the practice of the law enforcement bodies. In relation to this, the prosecutor's offices have to open new departments that will catch their own criminal workers. Speaking about a recent report by Justice Minister Nagashybay Shaykenov, the deputy prosecutor general said that he personally was against the wrought-up tone of the minister who sees enemies in everyone who has their personal opinions concerning implementation of the legal reform.

Answering a question about Smagulov [Kazakh MMM-type trickster], Shvedyuk admitted that an insufficiently developed legal basis and low activity of the National Bank had caused this situation. He said that a decision was made at the level of power structures to investigate the legal validity of this kind of organization and institute legal proceedings against criminal cases that include a number of swindles. The deputy prosecutor general believes that crime does not have a fatal nature in the republic, and that the law enforcement bodies are quite capable of curbing crime.

Kyrgyzstan

Prime Minister Leaves for Japan Visit

LD2611094594 Moscow ITAR-TASS in English 0906 GMT 26 Nov 94

[By ITAR-TASS correspondent Kylybchek Dosumbetov]

[FBIS Transcribed Text] Bishkek 26 Nov (TASS)—An official delegation of Kyrgyzstan headed by Prime Minister Abbas Dzhumagulov is leaving for Tokyo today. The delegation will take part in a meeting of the joint Kyrgyz-Japanese and Japanese-Kyrgyz commissions on economic cooperation.

A loan of 30 million dollars was given to Kyrgyzstan in 1994 by the Japanese fund of foreign economic cooperation to support its balance of payment. A large amount of gratis technical aid is being rendered to Kyrgyzstan by the Japanese Agency of International Cooperation as well—some four million dollars.

Russian Border Chief in Bishkek for Talks

LD2511134994 Bishkek Kyrgyz Radio First Program Network in Russian 0600 GMT 25 Nov 94

[FBIS Translated Text] Today, the commander-in-chief of the border troops of the Russian Federation, Nikolayev, arrives in the capital of Kyrgyzstan. In Bishkek, he will have talks with Defense Minister Myrzakan Subanov. A meeting between the commander-in-chief and President Askar Akayev is planned. The main issues to

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be discussed during the talks will concern the problems of ensuring supplies to Russian soldiers serving on the territory of Kyrgyzstan, the situation in the border forces group, and also strengthening defense capability on the Kyrgyz-Chinese border.

ICO Secretary General Received For Talks

LD2511132494 Bishkek Kyrgyz Radio First Program Network in Kyrgyz 0600 GMT 25 Nov 94

[FBIS Translated Text] Hamid Algabid, secretary general of the Islamic Conference Organization [ICO] and former prime minister of Nigeria, has personally informed President Askar Akayev and Prime Minister Abbas Dzhumagulov on the aims, tasks and new dates for the opening of the 22d conference of foreign ministers and the seventh summit meeting of the ICO member countries. The secretary general also reported that the authoritative organization which he has been heading for nearly six years is sincerely interested in cooperation with our young state and is ready to use its influence in the Islamic world for the rapid development of Kyrgyzstan.

During the talks in the White House and the country residence of the president, the top leaders of the republic acquainted the guest with the current policy and economic situation in Kyrgyzstan, expressed support for his ideas and aims and spoke about their readiness to cooperate with the ICO which unites 51 countries of the Islamic world. Such an ally is especially important now that the republic is taking the first steps on the way towards the market economy and integration in the world community.

In this connection proposals were made to the guest on investments in the mining, gold-mining and engineering industries of the republic and agriculture.

Several months ago projects for capital investment were presented to the Islamic Development Bank, a specialized organization within the ICO whose activities are financed by such rich countries as Saudi Arabia and Egypt.

The hosts and the guest came to the common opinion that at the present stage more attention should be paid to the problems of safeguarding security and consolidating the Islamic world and to the active economic integration into the world economy.

Akayev: 'Crucial' Cabinet Reshuffle After Feb Poll

LD2511172194 Moscow INTERFAX in English 1453 GMT 25 Nov 94

[From the "Presidential Bulletin" feature, complied by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Askar Akayev believes there must be a crucial cabinet shake up after next general elections scheduled for February 5.

In an exclusive interview with Interfax, he said that if the balance of forces in the new parliament permits, "we could form a good team of aspiring politicians capable of working in conditions of economic reforms". Akayev admitted to having failed to forge such a team in the three years of his presidency because of strong opposition in the Supreme Soviet which forced him to sack Prime Minister Tursunbek Chyngyshev and his government last December.

However, the president said he would stick to a number of key cabinet figures including the economics minister, national bank president, head of the state committee for investments and director of the state-run Kyrgyzaltyn company.

Akayev is convinced that in new conditions, the central government must leave matters such as sowing and harvesting or preparations for wintertime to newly-established local governments.

In his view, economic strategy and attraction of foreign investment into the country's economy must be the main area of central government activity. Akayev said it would be hard to find a better head of government than incumbent Prime Minister Abbas Dzhumagulov describing him as an efficient and tough man who enjoys credibility on the ground and can tighten cabinet discipline. At the same time, the president believes that the main focus must be made on working ministers rather than the prime minister himself.

Edict Improves Taxation in Insurance, Gold Mining

LD2511205294 Bishkek Kyrgyz Radio First Program Network in Russian 1400 GMT 25 Nov 94

[FBIS Translated Text] Edict by the president of the Kyrgyz Republic on urgent measures to improve taxation of economic entities.

With a view to promoting the attraction of foreign investment and creating equal taxation conditions for insurance and banking activity, which correspond to international standards and rules, as well as to ensure solvency of enterprises in the gold mining industry, I decree:

1. The turnovers involved in insurance and reinsurance operations, as well as in related services effected by insurance intermediary agencies, are not subject to value-added tax.

2. For the period in which the Law of the Kyrgyz Republic on Amendments and Additions to the Law of the Kyrgyz Republic on Taxes on Enterprises, Associations, and Organizations of 8 May 1993 is in effect, the turnovers involved in the issuing and transfer of loans will not be subject to value-added tax.

3. Economic entities are to be exempted from value-added taxes that have been calculated but not yet levied,

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as well as from sanctions and penalties applied to the turnovers indicated in points 1 and 2 of this edict.

4. Article 40, point 1: "Rental payments for gold mining," in the Law of the Kyrgyz Republic on the Taxes on Enterprises, Associations, and Organizations is to be annulled. Economic entities are to be exempted from paying rental payments for gold mining, which have been calculated but not yet levied, as well as from sanctions and penalties applied to them.

5. The terms of exemption from paying profit tax, laid down by Article 20 of the Law of the Kyrgyz Republic on the Foreign Investment in the Kyrgyz Republic, will be calculated from the moment the profit is received.

6. The Government of the Kyrgyz Republic is to prepare, for subsequent submission to the Supreme Council, draft laws of the Kyrgyz Republic on amendments and addenda to legislative acts of the Kyrgyz Republic arising out of this edict.

7. This edict enters into force from the day of its publication.

[signed] President Askar Akayev of the Kyrgyz Republic.

Tajikistan

Russian Border Troops Commander Meets Rakhmanov

LD2611120594 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 26 Nov 94

[FBIS Translated Text] Colonel-General Andrey Nikolayev, the commander-in-chief of the Russian Border Troops, arrived in Dushanbe.

Mukhammad Ubaydulloyev, the deputy chairman of the Council of Ministers of the republic, Mecheslav Senkevich, the Russian ambassador to Tajikistan, commanders and ministers welcomed him at the capital's airport.

Nikolayev told the journalists that in Dushanbe he is going to meet high-ranking leaders of Tajikistan to discuss the course of the implementation of the agreements signed by the heads of state of the Commonwealth of Independent States on reinforcing the borders of Tajikistan as well as the issues relating to [word indistinct] of the group of the Russian Border Troops in Tajikistan, and their provision and preparation for winter.

To discuss these issues, today President Emomali Rakhmanov, received Col.Gen. Andrey Nikolayev, the commander-in chief of the Russian Border Troops, who is in our republic on a short visit.

Nikolayev congratulated Emomali Rakhmanov on his election as the president of Tajikistan. In the course of the meeting, which was held in an atmosphere of mutual understanding, Rakhmanov has informed the commander-in-chief of the Russian troops about details of the present sociopolitical situation in the country, constitutional changes, and preparations for the parliamentary elections in the republic.

The issues of further reinforcing the Tajik-Afghan border as well as the course of the implementation of the agreement signed by the Tajik Government and the heads of the opposition on a ceasefire on the Tajik-Afghan border and inside the country, were also discussed at the meeting.

Rakhmanov pointed out that the leadership of Tajikistan is implementing the abovementioned agreement and is striving to further resolve all the issues through the dialogue to achieve peace and tranquillity in the country.

Russian Border Guards Repel Opposition Infiltrators

LD2611134894 Moscow ITAR-TASS in English 1322 GMT 26 Nov 94

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Transcribed Text] Dushanbe 26 Nov (TASS)—Russian border guards prevented a group of Tajik pro-opposition militants from crossing the Pyanj river and infiltrating Tajikistan's territory on Friday [25 November].

The militants fired on the border guards as soon as they came into view at a stretch of the frontier controlled by the Tenth border-guard unit, the press centre of the Russian border-guard troops in Tajikistan told ITAR-TASS on Saturday.

When one of the trespassers was killed, the rest returned to the Afghan territory. There were no casualties among Russian border guards.

Tajik-Russian Mineral Agreement Annulled by Law

LD2611133894 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 26 Nov 94

[FBIS Translated Text] As we reported previously, the Council of Ministers of the republic has adopted a resolution on taking measures to regulate the use of natural deposits of piezo-optical raw materials and semi-precious stones. According to this decree, the Pamirkvartssamotsvety [Pamir Quartz and Semi-Precious Stones] production association of the Ministry of Industry of the republic is specially assigned to carry out prospecting, extracting, and processing piezo-optical raw materials and semi-precious stones on the territory of the Republic of Tajikistan.

Zuhur (Yorov), the general director of the association, elaborated on the decree in an interview with a KHOVAR news agency correspondent. He said the decree was adopted in good time. The decree by the

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Council of Ministers annuls the agreement signed by the local authorities of Badakhshan Autonomous Region and the Russian International Financial and Industrial Corporation. In accordance with this agreement, a large quantity of precious stones was mined illegally and without permission and was plundered in Murgab district of Badakhshan last summer. A difficult situation has emerged over this point. The agreement did not comply with our republic's law on natural resources. Therefore, it has been declared illegal. According to the agreement, the Russian corporation was granted the right to prospect and extract Badakhshan's natural resources, including gold and precious stones for 10 years. In this case, the fact that our association has been working since 1937 in Badakhshan, and as a state establishment has all the rights for prospecting and extracting natural resources, was not taken into consideration.

According to incontrovertible evidence, some people have managed to steal 56 kilograms of precious stones with an estimated value of $5-6 million, from (Kukurt) and (Snezhnaya) deposits and take them out of the republic. It is necessary to mention that Badakhshan region's officials paid no attention to this incident. Today's decree and the law on natural resources are the legal basis that make it possible to supervise and implement regulatory measures and prevent illegal actions. Employees of the Custom's Office and the state security bodies of Badakhshan should control the transfer of precious stones. The leaders of the association should help start the implementation of the decree that they had an active part in preparing and take all the necessary measures.

Tajik-Uzbek Railway Line Begins Operation

LD2711093894 Dushanbe Tajikistan Radio Network in Tajik 0800 GMT 27 Nov 94

[FBIS Translated Text] The Pendzhikent-Samarkand railway has begun operation. This is the result of meetings between the leaders of the two friendly countries of Tajikistan and Uzbekistan. All kinds of economically important cargoes will be transported along this line.

In connection with this report, it must be mentioned that the Samarkand-Pendzhikent road, which was closed for some time, has also begun operation.

Turkmenistan

Austria, Slovakia To Invest in Turkmen Industry

LD2611225394 Moscow ITAR-TASS World Service in Russian 1112 GMT 26 Nov 94

[By ITAR-TASS correspondent Oleg Lukin]

[FBIS Translated Text] Ashgabat, 26 Nov—Austria and Slovakia plan to invest funds in the economy of Turkmenistan. Agreement in principle on this was reached during talks which a Turkmen government delegation had in these countries.

The ITAR-TASS correspondent learned from the Turkmenistan Central Bank Chairman Khudayberdy Orazov that major investment projects which pass expert analysis by the Oesterreichische Kontrollbank AG, which runs export and import operations, will get financial support from Austrian capital. Until recently, Kontrolbank considered only projects from Belarus and Kazakhstan of the CIS countries.

A joint Turkmen-Austrian commission will determine projects for Austrian businessmen to get involved in. The fuel and energy complex, transport, communications, agriculture and the processing and medical industries were named as the priority areas.

The medical industry was described as a priority area in Turkmen-Slovak cooperation. The major Slovak pharmaceutical firm Incheba proposes building a medical equipment works in Ashgabat, and the Famet Engineering firm has proposed drawing up a project for municipal hospitals and equipping them with modern equipment.

First Credits Allocated Toward Privatization Proccess

LD2511174294 Moscow INTERFAX in English 1602 GMT 25 Nov 94

[FBIS Transcribed Text] The European Bank for Reconstruction and Development (EBRD) has allocated its first credit to Turkmenistan having signed an agreement on allocation of $35 million to the Central Bank of this republic this Thursday [24 November].

These money will be distributed among private or privatized companies through local banks, among them are private banks Senagat-bank, Gaz-bank, and the state Vnesheconombank. These measures will facilitate privatization in the republic, will assist in developing national private business, in expansion of export, and in strengthening bank infrastructure.

Along with financial aid the program of cooperation between the EBRD and Turkmenistan's business circles provides for assistance in determining trends of activity of private firms, in management, and in financial issues, says a press release of the bank.

Threatened Turkmen Dissident Disappears in Moscow

LD2511130194 Moscow Radio Rossii Network in Russian 1200 GMT 25 Nov 94

[FBIS Translated Text] Murad Essenov, a Turkmen dissident, director general of the Turkmenistan Fund, a political commentator with Radio Liberty, and editor of the TURKMEN-ILI journal, has vanished in Moscow.

The NeGa agency reports that last night he said goodbye to his acqaintances near the Otradnoye metro station and set off for the apartment he was renting in the area. The journalist never came home.

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Essenov, as well as his family in Ashgabat, has received repeated threats lately. It was suggested that an attempt could be made to take Essenov to Turkmenistan against his will.

Uzbekistan

Report on Afghan Minister's 21-23 Nov Visit

LD2611093094 Tashkent NARODNOYE SLOVO in Russian 26 Nov 94 p 1

[FBIS Translated Text] From 21-23 November, a delegation from the Islamic State of Afghanistan led by Dr. Najibollah Lafra'i, the minister of state for foreign affairs, was in Uzbekistan.

N. Lafra'i gave a personal message from Borhanoddin Rabbani, the president of the Islamic State of Afghanistan, to Islam Karimov, the president of the Republic of Uzbekistan.

The sides exchanged their opinions on a wide range of issues of mutual interest during talks that were held in the Uzbekistan Foreign Ministry.

The condition of and prospects for the development of bilateral relations were also discussed. The participants in the talks paid serious attention to the problem of ensuring regional security.

They expressed support for the UN mission attempting to achieve national reconciliation in Afghanistan.

The Uzbek and Afghan sides also expressed support for other possible initiatives directed toward establishing peace and stability in the region.

Particular attention was paid to the necessity of creating the conditions for guaranteeing security in the region of the Tajik- Afghan border.

On 23 November, N. Lafra'i, the minister of state for foreign affairs of Afghanistan, and the persons accompanying him left for Afghanistan.

Tashkent Hoping To Emulate Chinese Economic Model

MK2511135094 Moscow SEGODNYA in Russian 25 Nov 94 p 4

[Report from Tashkent by Irina Gribova under the "Uzbekistan" rubric: "Make Way for Private Enterprise! The Chinese Economic Model Is More Attractive Than the Turkish One"]

[FBIS Translated Text] Judging from reports received from a well-informed source, the Uzbekistan authorities plan to adopt a policy aimed at boosting private enterprise. This decision appears to have been prompted by Uzbekistan President Islam Karimov's fairly successful October visit to China, whose economic boom is largely attributable to small and medium-sized businesses. The Uzbekistan authorities now appear to be more inclined to follow the Chinese path of development, where rigid authoritarianism peacefully cohabits with relatively free enterprise.

It should be noted that at the initial stage of its sovereignty Uzbekistan already tried to assimilate the Chinese economic model, but swiftly switched to the Turkish model, because at the time Turkey promised large credits and all kinds of assistance. But once Ankara, which gave refuge to many leaders of Uzbekistan's opposition "Erk" and "Birlik" parties, started talking about human rights violations in Uzbekistan, the infatuation with the Turkish model vanished.

The Uzbek authorities do not have political differences with China, but, according to observers, there are little hopes for a successful transplant of the Chinese model onto Uzbek soil because, as has repeatedly been stated, "Uzbekistan has its own path of development and its own mentality."

So far the government plans to create up to 100,000 private companies. Moreover, registration procedures will be simplified and will require only an application to start a business.

Government Discusses Progress of Privatization

LD2711093494 Tashkent Uzbekistan Television in Russian 1400 GMT 26 Nov 94

[FBIS Translated Text] A meeting that took place today at the Cabinet of Ministers, under the chairmanship of First Deputy Prime Minister Ismail Dzhurabekov, discussed topical questions connected with the change of forms of ownership of the republic's enterprises and organizations. It was noted that the process of privatization has been dictated by necessity. Positive results in these activities have already been achieved in the republic. The experience of Uzmyasomolprom [Uzbek meat and milk industry] was highly praised. In this industry, as a result of privatization of state enterprises, for 10 months of this year profitability of production has grown by eight percent and profits were 160 million soms.

The results of privatization in many sections of the country's economic complex were analyzed at the meeting. It was noted that the number of enterprises changing their form of ownership should reach 5,127 this year. With the implementation of this task comes an increase in the role of ministries, departments, and organizations that are responsible for ensuring this process. The money raised by denationalization and privatization will be used for implementing projects to develop enterprises, reconstruct them, and to create all the necessary conditions for the activities of entrepreneurs.

Deputy Prime Ministers Sharifkhojayev, Khamidov, Yunusov, Kayim Khakkulov, Viktor Chzhen, and other officials took part in the work of the session.

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Homeland Progress Party Election Manifesto

LD2611140994 Tashkent NARODNOYE SLOVO in Russian 26 Nov 94 p 3

[Election Manifesto of the Homeland Progress Party (PVT)]

[FBIS Translated Text] The centuries-long dream of the Uzbek people has come true—it has achieved independence that has opened up a new page in the history of the homeland. During three years of independent development the basis of a democratic and legal state has been established in the republic. The constitution guaranteeing the rights and freedoms of citizens, and laws aimed at deepening market relations have been adopted. The process of renewal of all spheres of our lives has become irreversible.

Positive changes are noticeable in the creation of the new society. The process of establishing various forms of ownership, privatization, and denationalization is underway, a national currency has been introduced, the opportunity has arisen for developing businesses and farms, and new banking and taxation systems are being formed. The conditions for the maximum use of the people's intellectual potential, our rich and ancient national culture, and religious values are being revived, and there is a rise in the national consciousness. At the same time, our party is well aware of the complicated social and economic problems of the transition period in the country.

1. The problems of the transition period

We believe that:

—the reforms are encountering various obstacles from conservative forces, the supporters of the old order;

—the level of use of the available material and spiritual values, and of the latest achievements of science, engineering, and technology does not meet the demands of life;

—the social security program for the population is not carried out consistently at local level;

—the level of provision of the population with housing, building materials, transport, communications, and cultural and consumer services is insufficient;

—progress, in many respects, depends on what place in society women occupy. Their dignity at the present time is not a matter of society's attention;

—there is lack of consistency in measures directed toward overcoming unemployment, especially among the young;

—such vices as crime, corruption, and bribery have a negative effect on the development of society.

The Homeland Progress Party is directing all its activities toward resolving the above acute problems.

2. The ways for creating a legal state:

With the aim of helping the concrete implementation of the provisions of the constitution and the laws of the republic, the PVT calls upon state bodies and officials to serve our people selflessly. The party considers it necessary to improve its activities on the basis of the principles of the transition to market relations and free society of the remains of the administrative-command system. The party, through its deputies, will seek to develop laws that most fully respond to the constitutional rights and freedoms of the citizens. The PVT seeks to raise the role of the local bodies and mahallya [district] self-administration on the basis of the traditions of national statehood. It is necessary to raise the legal culture of citizens—legal education should become an integral part of general educational activities.

3. Ways to speed up the economic reforms

The party concentrates its efforts on strengthening the economic foundations of independence. The principle we uphold in this area is not living for the sake of work, but working for the sake of living. We think that there is no other way than the transition to market relations. We support the particular features of Uzbekistan's own course of development.

For a long time our people have been astonishing the world by its art of enterprise and various crafts. Today, the time has come to use the people's unique talent fully. For this we should in every possible way support, encourage, and increase the number of small and medium entrepreneurs producing material goods. The registration of new enterprises should be simplified.

The creation of equal opportunities based on justice, which will enable every man to manifest his intellectual and other abilities, is the main direction of the party's economic activities.

The party recognizes that the development of enterprise involves the receipt of profits and revenues by owners. But these should come not by artificial price rises, but through an accelerated turnover of the money invested. A necessary condition for this is competition and acceptance of the principle "the customer is always right."

The PVT considers that honest owners and entrepreneurs, highly qualified specialists, the scientific intelligentsia, and farmers, all those who are concerned with the people, are the leading force, capable of turning Uzbekistan into a state with a great future and ensuring it flourishes. As these social groups of the population grow, all spheres of society will develop and the people's material condition will improve.

The PVT is a supporter of the privatization of enterprises and their rapid denationalization. The party is fighting to make the majority of the population owners. The money received from the privatization of enterprises should be used for constructing modern enterprises and reconstructing old ones, as well as for creating new jobs.

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The PVT considers it necessary to gain experience "of the model of the future" through the creation of free economic zones, and to introduce the equipment and technology of advanced foreign countries and use them effectively.

The tasks of today involve establishing production of competitive goods oriented toward the international market and a sharp increase in the export potentials of the Republic of Uzbekistan.

The farmer's right to land should be supplemented by the right to freely dispose of the food produced. This will allow agricultural production to increase several times over. and will give the opportunity for there to be a food surplus in the country. All labor resources should be used to the full in developing industry, communications, transport, and the services sector. Implementation of the appropriate government program should be consistent.

4. For humanity and social justice

In order to realize the principles of social justice the PVT sets itself the following tasks:

—to determine salaries in accordance with the results of work;

—to render consistent support for the implementation of the government program for finding jobs for the population, in particular young people, in accordance with their qualifications, speciality, and working experience, and to help in the creation of new jobs;

—to increase help for war and labor veterans, low-income families, and invalids at the expense of entrepreneurs;

—to achieve the implementation of a program aimed at raising the effectiveness of the medical services for the population;

—to pay special attention to the social security of the intelligentsia with the aim of creating a single education system and fulfilling the principles "family-school-mahallya" and "the teacher should become a mentor."

5. Knowledge and spirituality are most important factors in the development of society

The PVT regards cultural, scientific and engineering workers, and the creative intelligentsia as a unique resource in society, and as a great force capable of ensuring the homeland's development. We are trying to raise the prestige of people who work with their minds and to work out a mechanism for better material and moral encouragement for them. Science and technology play a crucial role in the country's progress. That is why we concentrated our attention on developing science and education and the thorough study of scientific subjects at specialized secondary and higher education establishments. For this, an appropriate atmosphere should be created in society so that the desire to study and master the achievements of science and engineering should become a requirement and one of today's most important tasks.

Uzbekistan's future is in the hands of the young. We think that young people should be enterprising, have initiative, they should strive to become good specialists and reach the heights of knowledge. The PVT will assist scientific and higher education establishments to turn into real centers of science and technology, of culture and spirituality, and to increase their responsibility for training personnel. The party pays particular attention to reviving the spirituality and culture of the people populating Uzbekistan.

Representatives of over 100 ethnic groups and nationalities live in Uzbekistan. Their homeland is Uzbekistan, we are all brothers and sisters. We will actively help in the consolidation of mutual confidence, friendship, and accord between all the people inhabiting the republic.

Our party's main ideological principles are pride in our independent state, faithfulness to freedom, and the idea of national unity and respect for national and human values.

The PVT respects the process of revival and development of our people's national, religious and cultural traditions, and customs, the great statesmen, scholars, and thinkers of the past. The party will cooperate with various public and religious organizations in educating citizens in the spirit of honesty, justice, patriotism, and conscientiousness.

6. For peace and cooperation

The PVT is a supporter of economic, political, cultural, scientific, and technical cooperation between Uzbekistan and all the countries of the world community, international organizations, and CIS countries on an equal and mutually beneficial basis. The PVT supports the basic principles of our country's foreign policy—the policy of noninterference in the internal affairs of other countries, equality of rights and mutual consideration of interests, the resolution of all interstate conflicts by political means, inviolability of borders, destruction of nuclear weapons, creation of peaceful conditions on the planet, the observance of the norms of international law, and adherence to values common to all mankind. The party believes that the revival of the Great Silk Road in its new form will be an important factor in Uzbekistan's transformation into a country with a great future. Strengthening cooperation between the Central Asian countries can be a serious stage along the path toward achieving this goal. We support the noble aspiration of Turkish-speaking states for comprehensive cooperation.

The PVT differs from other parties in its program and tasks:

—our party is the child of independence;

—it is not the leader but the servant of the people;

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—we represent the interests of the intelligentsia, free entrepreneurs, private owners, and peasants. Our proposals proceed from life, practical experience, and common sense;

—we believe that land ought to find its genuine owner;

—we stand for the all-round protection and development of private ownership;

Our party welcomes the elections to the Supreme Assembly and local representative bodies of power on a multi-party basis. We believe that everyone who is thinking about a great future of the homeland and its genuine progress will vote for candidates put forward by the Homeland Progress Party.

Dear voters, war, and labor veterans!

We are obliged to you for your work and feats. Your wise legacy is our great spiritual wealth.

Dear women!

We consider you the main support of society and we will always defend your rights!

Growing youth!

The great future and progress of the homeland is in your hands. We will fight for your dreams to come true!

Dear members of the intelligentsia!

You are wise men, who throw light upon the path of the people! Our party leans on you in its activities, as on the pride of the people.

Gentlemen private owners and entrepreneurs!

The well-being of the people and the abundance of the public's tablecloth depends on you. Our party approves of your noble efforts to develop the country.

Friends!

Material and spiritual aid, and searching for ways to those hearts that need help is the humane obligation of the party's each member. Our country will not have needy people!

Brother believers!

Our party values your noble activities directed at educating people in the spirit of honesty, kindness, patriotism, and purity of intentions. Let us be always together!

Deeply aware of its duty to the voters, the PVT will direct all its energy into the implementation of this manifesto and will endeavor to justify the high confidence of the people.

PDP Woos Muslim, Christian Leaders

LD2611144094 Tashkent GOLOS UZBEKISTANA in Russian 26 Nov 94 p 1

[FBIS Translated Text] Mufti Mukhtar Khodzha Abdullayev, the Chairman of the Mavurannahr Muslim Board, was received at the Central Council of the Peoples Democratic Party [PDP] of Uzbekistan on 18 November.

A. Dzhalalov, the first secretary of the PDP Central Council, told the guest about the results of the party's second extraordinary congress, the documents adopted at it, and in particular, about the party's election manifesto. He particularly stressed that in this important document the party is in favor of respecting the religious views of believers, regardless of their religion, and that it undertakes to represent their interests in the Supreme Assembly, and in local bodies of representative power. The manifesto also considers that the eastern, Islamic spiritual values are of great importance in the formation of such moral qualities in the younger generation as conscientiousness, honesty, moral purity, and charity.

The conversation noted that believers are making invaluable contributions to securing stable peace and stability in our republic, where radical economic reforms are being implemented and national values are reviving. In particular, it has become an honorable obligation for religious figures to appeal to the conscience and beliefs of people and oppose certain defects characteristic of the transition period and keep them from unsuitable and risky actions.

Having expressed gratitude to the republic's leadership for its just and humane policies, and for creating all the necessary conditions for the free performance of Muslim rites and rituals, the guest assured Dzhalalov that they support every action aimed at achieving the homeland's prosperity and the people's happiness.

The head of the church administration of the Russian Orthodox Church in Central Asia, Archbishop of Tashkent and Central Asia Vladimir, was received in the PDP Central Council. A. Dzhalalov, the PDP first secretary, talked of how in the republic the law on freedom of conscience is strictly observed, that the organizations and members of our party respect all believers, including the Orthodox Church, and gave a high appraisal of their contribution to the strengthening of civic peace, and interethnic accord in society.

The guest, having expressed gratitude for the sincere and cordial words, assured Dzhalalov that the Orthodox Church will render active support in the formation of the high concept "Uzbekistan is our sacred homeland" in every citizen of the republic.

I. Kochmarik, the secretary of the PDP Central Council, took part in the meetings.

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Armenia

President, Foreign Minister Attend Party Congress

Ter-Petrosyan Addresses Congress

LD2611162294 Moscow INTERFAX in English 1424 GMT 26 Nov 94

[FBIS Transcribed Text] Armenian President Levon Ter-Petrosyan has described the ruling Armenian Pan-National Movement as the only political party able to rule the former Soviet republic till the year 2000.

Addressing the Movement's sixth congress on Saturday [26 November], Ter- Petrosyan said the party's main objectives included providing diplomatic support for the self-determination of Nagorno-Karabakh, making the democratization process in Armenia irreversible and building a market economy in the country.

The president said the Movement had made considerable progress towards attaining those goals and was capable of winning the May 1995 election. Even the opposition admits military success in the Nagorno-Karabakh issue, he said.

Speaking about the Movement's problems that have led to a split in it and made some of its members leave it, the Armenian leader said it was one of the party's main tasks to develop its internal democracy.

The Movement, set up in 1989, won the parliamentary election in 1990.

Karabakh Status Said Most Important Task

NC2611193994 Yerevan SNARK in English 1431 GMT 26 Nov 94

[FBIS Transcribed Text] Yerevan, November 26 (SNARK)—The most important task according to Levon Ter-Petrosyan is confirmation of the fact of Nagorno-Karabakh self-determination on stages basis. At the congress of Armenian National Movement in Yerevan he stated that this process cannot be forced. According to him, "from military point of view Nagorno-Karabakh has never been in such favorable state."

Ter-Petrosyan characterized acceptance of Karabakh by conflicting party and the fact that it managed to convince international community in necessity Karabakh settlement on stages basis, to connect the withdrawal of Karabakh troops with guarantees of Karabakh people security, as a victory of Armenian diplomacy.

"Today these proposals are being approved both by Russia and CSCE," said the President.

Foreign Minister on Karabakh Settlement

LD2711211294 Moscow ITAR-TASS in English 1944 GMT 27 Nov 94

[By ITAR-TASS correspondent Tugran Liloyan]

[FBIS Transcribed Text] Yerevan November 27 TASS—Relations with Russia "are of strategic importance to Armenia and will remain such in the future", said the Armenian foreign minister.

Addressing the sixth congress of Armenia's ruling National Movement, Vahan Papazyan said, "we developed and will develop relations with Russia in all spheres, which means to improve cooperation with CIS member-countries".

Despite the existing doubts as to CIS prospects, to a certain degree the Commonwealth of Independent States ensures Armenia's national security, the minister stressed.

Among the top-priority foreign-policy tasks, Papazyan cited "a deeper integration" of this republic with the international community and its organizations. This process is going on at an appropriate pace, with Armenia's voice becoming more audible in international structures.

According to the minister, another important issue is "the establishment of normal and if possible, good relations with neighbouring states".

Speaking about Nagorno-Karabakh settlement, Papazyan labelled as "an illusion" the viewpoint that "to make military progress means to make political and therefore diplomatic progress as well". Meanwhile, the minister said, military success only complicates diplomatic talks. Armenia is doing its utmost to solve the Karabakh crisis at the negotiating table, he emphasised. He believes the settlement process is now proceeding with great difficulty because of an ever increasing number of mediators and conflict of interests of various parties. At the moment, the main diplomatic problem is certain differences between the two major mediators, Russia and the CSCE, Papazyan said.

End To Karabakh Conflict Foreseen

LD2611231794 Moscow ITAR-TASS World Service in Russian 1740 GMT 26 Nov 94

[By ITAR-TASS correspondent Tigran Liloyan]

[FBIS Translated Text] Yerevan, 26 Nov—One can realistically expect that the Karabakh conflict will be finally resolved next year. This view was expressed today by Armenian Foreign Minister Vahan Papazyan in an interview for ITAR-TASS.

So far no agreement has been reached on an Armenian-Azeri summit meeting in Geneva, he noted, but a meeting of this kind to discuss Karabakh settlement could be held in Moscow in early December, with the mediation of the president of the Russian Federation. This would just be another stage in the negotiations and no documents are expected to be signed at it, the minister stressed. On Geneva, he said that a suggestion to hold such a meeting was made by UN Secretary

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General Butrus Ghali during his recent tour of the Transcaucasus. The Armenian side agrees with this initiative in principle. But Yerevan believes that such a meeting without the participation of the leader of Nagornyy Karabakh would be useless, V. Papazyan reiterated.

On the possibility of reaching a settlement in Karabakh before the end of the year, V. Papazyan noted that much would depend on the progress and the results of the meeting of the heads of members states of the CSCE in Budapest. He revealed that the discussion on ways to combine the mediation efforts of the CSCE and Russia would be continued there.

Speaking about the prospects for sending international disengagement forces to the region, the Armenian minister said that consultations on the matter were continuing between the CSCE Minsk group and the foreign ministries of the CSCE countries.

He said the issues of Lachin and Shusha did not exist for Armenia. Armenia cannot discuss the issue of Shusha because it is Karabakh's internal matter and it can only be discussed in the context of a possible return to the town of Azeri refugees. As for Lachin, Yerevan's stand on this matter is well-known, the minister said. If the Lachin corridor, which connects Armenia and Karabakh, "was placed outside Armenian control, Nagorno-Karabakh would cease to exist."

Foreign Minister Discusses Shusha, Lachin Issues

NC2611194594 Yerevan SNARK in English 1431 GMT 26 Nov 94

[FBIS Transcribed Text] Yerevan, November 26 (SNARK)—Problem of Shusha and Lachin doesn't exist for Armenia, stated Armenian Foreign Minister Vahan Papazyan today in his interview with SNARK.. According to him, this is a problem of Azerbaijan. Tough stance of Azerbaijan in this matter, he thinks, prevents at some extent keeping of peace-making process on.

Minister is of the opinion that Shusha problem has nothing to do with Armenia. "This is an internal matter of Nagorno-Karabakh," said he. "This issue may be discussed only in a context of possible return of refugees."

Speaking on humanitarian corridor, a head of Foreign Policy Department stated that a stance of Armenia in this matter is clear—"no Lachin without Armenian control means no Nagorno-Karabakh. This stance we confirmed for several times at negotiations with all mediators," said Papazyan.

Papazyan didn't exclude possibility of Russian, Armenian, Nagorno-Karabakh and Azerbaijani leaders meeting in Moscow. Meanwhile he noted that hardly any document will be signed.

Former Presidential Adviser Says State Mafia 'Outer Cover'

NC2511200094 Yerevan SNARK in English 1539 GMT 25 Nov 94

[FBIS Transcribed Text] Yerevan, November 25 (SNARK)—"A mafia coup took place in Armenia", declared the former Head Adviser of Armenian President on National Security Ashot Manucharian during a rally, today in Yerevan.

According to him, Armenian state structures are only the outer cover for the mafia.

Several thousands of people were p [item incomplete as received]

Communications in Severe Energy Crisis Described

NC2711173594 Yerevan ARAGIL ELECTRONIC NEWS BULLETIN in English 0804 GMT 27 Nov 94

[FBIS Transcribed Text] Yerevan ("RESPUBLICA ARMENIA" daily), 11/26/94—RA [Republic of Armenia] Ministry of communications held a press conference, dedicated to operation of communications means in the conditions of severe energy crisis.

Director of the republican center of telephone communications Valeri Harutyunyan said that cable and radio-relay communications connect Armenia with Russia and other CIS countries, whereas "Orbit-2" station - with the rest of the world.

According to Harutyunyan, interruptions of electricity supply are resulting in damage of expensive equipment. Operation of communications is significantly influenced by interruptions at the service points in Georgia.

Now Armenia is carrying out operations to provide uninterrupted operation of communications. Particularly, with the help of the American company "Comsat", there are already 60 operational satellite communication channels to Moscow. Their number will double in the beginning of the coming year.

Harutyunian said that operation of communications is seriously influenced by the situation when the population does not regularly pay for services used. He said that the debt of the population already reached more than 1 billion drams.

Director of TV broadcasting center A. Simonyan the problem of energy supply. Interesting facts have been revealed during discussions. It turned out that Russian TV company RTR pays Armenia 700-800mln. rubles per year for translation of their broadcasts. Another Russian company, "Ostankino", also pays us 1.2-1.3bln. rubles since we watch their programs for 6 hours per day. For the rest of the broadcasting time we have to pay ourselves, but the country has not enough money for this... [ellipses as received]

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Azerbaijan

Aliyev Receives ICO Chairman Hamid al-Ghabid

NC2511212694 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1900 GMT 25 Nov 94

[From a "Special Newscast"]

[FBIS Translated Excerpt] Azerbaijani President Geydar Aliyev today received a delegation headed by Hamid al-Ghabid, the secretary general of the Islamic Conference Organization [ICO]. Our correspondent Ramiz Meshedihesenli reports:

[Begin recording] [Meshedihesenli] Opening the meeting, Geydar Aliyev spoke of his talks with the ICO deputy secretary general during his visit to Saudi Arabia. He noted that their meetings were beneficial for Azerbaijan.

Explaining the aim of his visit, CIS Secretary General Hamid al-Ghabid said there will be a summit meeting of heads of ICO states in Morocco in December. He invited Azerbaijani President Aliyev to that meeting. The ICO foreign ministers will first hold a meeting on 10 December to prepare for the summit. Hamid al-Ghabid noted that the issue of Armenia's aggression against Azerbaijan has been placed on the summit agenda, that he has appealed to the Islamic countries to increase humanitarian aid to Azerbaijani refugees, and that he has called on the United Nations for the unconditional implementation of the resolutions on Karabakh. The ICO secretary general announced that he supports the effort of the CSCE's Minsk Group for the peaceful solution of the Nagorno-Karabakh problem. Noting that the ICO will maintain constant contact with Azerbaijan and will not remain indifferent to Azerbaijan's problems, Hamid al- Ghabid did not hide that he will help to condemn the aggressor.

Azerbaijani President Aliyev summed up the meeting:

[Aliyev] I am happy that you are visiting our Republic. The ICO is the world's largest international organization and Azerbaijan is happy to be a member. You expressed the ICO's views on Azerbaijan, particularly on Armenia's aggression against Azerbaijan. This is very important for us. You informed me of the regular summit of heads of ICO states to be held in Casablanca, Morocco. I had already received an invitation and now I accept your invitation with pleasure. I will certainly take part in the regular ICO session in Morocco. As an Islamic country, considering itself part of the Islamic world, Azerbaijan intends to participate in the conference as a permanent member of the ICO.

Azerbaijan greatly needs cooperation with the ICO, since Azerbaijan has come under Armenia's aggression in recent years and is facing major social and economic difficulties. [passage omitted]

Our aim is to remove the Armenian Armed Forces from the occupied land, safeguard Azerbaijan's territorial integrity and the inviolability of its borders, and return the refugees to their homes. The six-year war between Azerbaijan and Armenia, a war that began when Armenia wanted to take control of Nagorno-Karabakh, has dealt major blows to the Azerbaijani Republic and people. Over 20,000 Azerbaijanis have been killed, over 100,000 have been wounded, and over 6,000 Azerbaijanis have become prisoners of the Armenian occupiers. The entire material wealth—buildings, factories, enterprises, schools, hospitals, cultural centers, residential buildings, everything—in our occupied land has been destroyed. Over 700 cities, towns, and villages in the occupied land have been destroyed. Enormous material and moral destruction has been inflicted on the Azerbaijani Republic and people. Nevertheless we favor the peaceful solution of the problem. For the first time in the six-year war we have forged a prolonged cease-fire regime. The cease-fire has been in place for over six months. We are working to use this period to obtain a major, reliable peace. We are cooperating with the CSCE and using Russian mediation and are also working to make use of the United Nations. Regrettably, Armenia has not implemented UN Security Council resolutions demanding the withdrawal of occupying Armenian troops from the occupied land. We will press ahead with our efforts in this direction. The heads of the CSCE states will meet in Budapest between 5-6 December. We will resolutely put this issue forward at that meeting. And I hope we will achieve a peaceful solution to these problems with our efforts and with every assistance, particularly that of the ICO.

Another major and damaging result of this war for Azerbaijan is that grave blows have been inflicted on Azerbaijan's economy. Our economy is in crisis. If this crisis is due to our economic reforms, it is also related with the ongoing war. The standard of living of the Republic's population is quite low. In particular, refugees are living under very grave conditions. Assistance is needed for our Republic. [passage omitted] We believe the ICO has the means to provide further assistance to help Azerbaijan out of this grave situation. The ICO's Islamic Development Bank has the means to help Azerbaijan in this direction. Some steps have already been taken by the Islamic Development Bank to help Azerbaijan. But after becoming closely acquainted with the situation in Azerbaijan, I believe you will conclude that material help to Azerbaijan from the ICO, Islamic countries, and the Islamic Development Bank is now very essential. [passage omitted]

[Meshedihesenli] After the meeting ICO Secretary General Hamid al-Ghabid held a news conference for local and foreign correspondents. [passage omitted]

[Unidentified correspondent] What measures does the ICO envisage to halt the [Armenian] aggression and does the ICO intend to create a peacekeeping force?

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[Al-Ghabid speaking in French with superimposed Azeri translation] There is no intention to create such a force. But we are active within the United Nations. Our organization offers the United Nations its military participation within the UN framework. We are ready to make these forces available in Islamic and other countries.

[Unidentified correspondent] The ICO is one of the most influential organizations. Why did your organization not use its influence in condemning Armenia's aggression? You changed your views only after President Heydar Aliyev visited Saudi Arabia. Only after that did you start to condemn this aggression.

[Al-Ghabid] We expressed our view on the Armenian-Azerbaijani conflict from the start. We maintain the same position. There is no question of our changing our position, only that in view of the situation we have been giving priority to particular issues.

[Meshedihesenli] ICO Secretary General Hamid al-Ghabid replied to other questions from correspondents. [end recording]

Karabakh Issue Discussed

LD2511212294 Moscow ITAR-TASS World Service in Russian 1820 GMT 25 Nov 94

[By ITAR-TASS correspondent Sevindzh Abdullayeva, Viktor Shulman]

[FBIS Translated Text] Baku, 25 Nov—The question of Armenia's aggression against Azerbaijan will be among the main topics examined at the forthcoming meeting of heads of member states of the Islamic Conference Organization [ICO], which is to be held in Casablanca on 13-14 December. This was stated by Hamid Al-Ghabid, secretary general of this international organization, who met President of Azerbaijan Geydar Aliyev in Baku late this evening.

According to the ICO secretary general, the organization he heads, which unites more than 50 states of the Islamic world including Azerbaijan, categorically opposes the seizure of foreign territory and favors Azerbaijani integrity. He believes that the Armenian-Azerbaijani conflict can and should be settled on the basis of UN Security Council resolutions within the framework of the CSCE and by the efforts of its Minsk Group on Nagorno-Karabakh.

For its part, the ICO will also promote the peacemaking process, Algabid stressed. Its committees are currently gathering information on the situation in the Transcaucasus region with the aim of working out a united position on the Karabakh problem. He also said he had made a request to influential Muslim countries for help to be given to Azerbaijani refugees.

The Azerbaijani head of state revealed some sad statistics at the meeting: In the six years of the conflict, 20,000 of the republic's citizens have been killed, about 100,000 have been maimed in various ways, and another 6,000 are still being held as prisoners or hostages. He also said that about 700 towns, settlements, and villages have been destroyed in Azerbaijani territories occupied by Armenian armed formations. Most of their inhabitants—numbering hundreds of thousands of people—are now living in tent towns, shelters, and administrative buildings in various parts of the republic, which are quite unsuitable for accommodation purposes.

At the same time, according to Aliyev, the war-torn country favors a peaceful settlement of the Karabakh problem. The foundation for this—the truce that has already been in force in the conflict zone for more than six months—has already been laid. In order to achieve a full peace in the region, the Azerbaijani president noted, it is important to unite the efforts of all the intermediaries—the United Nations, the CSCE, and Russia. He expressed hope that this would happen at the beginning of December, at the meeting of heads of CSCE member states in Budapest. He also confirmed his intention to take part in the ICO conference in Casablanca, noting that he was counting on Muslim countries to show their solidarity and provide more substantial assistance to Azerbaijan to help it overcome the socioeconomic problems it has encountered since gaining independence.

Interior Ministry Fears Outcome of Belokan Rally

NC2511202294 Baku TURAN in English 1253 GMT 25 Nov 94

[FBIS Transcribed Text] Baku (November 25) TURAN—The rally was to take place in Juma Mosque in Gabagchel district of the Belokan region today, the Head of Executive power of Belokan region, Shamil Mamedov, told TURAN's correspondent. He said that the meeting will be dedicated to social problems of the district. However, he added that there are any circles, which will try to give a rally a political character.

Armed individuals from different criminal groups gather in Gabagchel district in order to make the situation worser. As TURAN agency was told, yesterday the group of activists of separatist movement from neighbouring Dagestan attempted to enter the territory of the Belokan region, but the authorities returned them back. The same Nariman, one of the heads of the criminal group, which November 18 had taken a group of highranking officials from the Ministry of Interior hostages, is also currently in Gabagchel district. As was earlier reported, the employees of the Ministry of Interior have been exchanged for three members of the criminal group, which had been arrested by the authorities November 17.

Executive power of the region reports that collection of illegally keeping arms in the Belokan region is taking place but people are not willing to do that. This fact also influences on the situation in the region. One can expect

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deterioration of the situation due to the scheduled rally, the sources from the Ministry of Interior report.

Small Parties Must Disband, Merge if Amendment Passed

MK2511124094 Moscow SEGODNYA in Russian 25 Nov 94 p 4

[Report by Arif Useynov under the "Organizational Party Development" rubric: "To Unite or Disband, This Question Will Soon Become Topical for Azerbaijan's None-Too Numerous Parties and Movements"]

[FBIS Translated Text] Local national socialists have sent a signal that they are following in the footsteps of Zhirinovskiy supporters who are trying to attain legal status for a Liberal Democratic Party of Russia branch in Baku. On 19 November the AYNA weekly carried an interview with their leader, who did not wish to reveal his name. This kind sir urges the Azeris to recall the original name of their nationality—the Azorids, who allegedly were genuine Aryans. The anonymous national socialist thinks that a minimum program should call for the creation of a political party that would take the lead in the government and start purging the nation of ethnic admixtures. To become the leading nation, to chase strangers away from the ancestral land will be the maximum program.

If you are to implicitly believe the claim of Nizami Suleymanov, leader of the "Independent Azerbaijan" party of the intelligentsia, to the effect that many political associations in the republic were created with the aid and funds of special services of foreign states, the national socialists should also be classed as "overseas bait." Generally speaking, observers believe, the political organizations of a national-patriotic trend, which include pro-Iran and pro-Turkey organizations sharing the same anti-Russia platform, enjoy no support in society. Broad sections of the population are more concerned with the aftermath of the Karabakh war, and with poverty. It is no accident, therefore, that leaders of the parties have limited their activities to publishing newspapers and receiving foreign representatives—they are in no position to influence masses of people.

Currently the future of political organizations in Azerbaijan, especially those with a small membership, hinges on an amendment to the Law on Political Parties being drafted in a parliamentary commission. The amendment calls for their repeat registration if their membership is at least 10,000. To all appearances, the amendment, should the National Assembly pass it, is timed for the upcoming parliamentary elections: the fewer the parties, the less the headache. Six or seven parties out of the 40 stand good chances of surviving—the remaining would have to either unite or disband.

Russian Aircraft En Route to Yerevan Forced To Land

NC2611192394 Baku TURAN in English 1559 GMT 26 Nov 94

[FBIS Transcribed Text] Baku, November 26 (TURAN)—Azerbaijan's Defence Ministry issued a statement that on November 21 at 9:01 the air space of Azerbaijan was violated from the Armenian side by unknown plane IL-76. The crew of the plane did not answer to the inquires of Azerbaijan's land services. The fighter-interceptor of Azerbaijan's Air Military Forces made the plane land at one of the republic's airports. Later, it was found that the plane belonged to a commercial firm "Atlant" (Simferopol city) and was making charter flights Yerevan-Kislovodsk. Some military servicemen were awarded for success in fulfilling the task.

Georgia

Demirel Views Turkey's Role in Post-Communist Eurasia

AU2411111794 Tbilisi REZONANSI in Georgian 17-18 Nov 94 p 12

[Speech delivered by Turkish President Suleyman Demirel at the East-West Relations Research Center in Tbilisi on 16 November: "Suleyman Demirel: 'Georgia's Happiness Is Also Turkey's Happiness'"]

[FBIS Translated Text] The president of Turkey gave an analysis of the political situation in the Black Sea region to an audience in the East-West Relations Research Center.

Suleyman Demirel: "Following the end of the Cold War and the suppression of communism, we have become witnesses of a dramatic development on a global scale in geopolitics. In Eurasia, 20 countries have acquired political independence and pluralism, in a certain sense, has started to rule in the region. The old system, which was based on conflict between the two most powerful forces, has yielded to the search for a new balance of forces, although our hopes concerning the strengthening of a peaceful and harmonious world have not been realized. Furthermore, the international community's global and regional organizations are going so far as to avoid the new reality; such political trends as nationalism, racism, and religious fundamentalism, which we thought had been thrown into the garbage can of history, are again trying to fill that vacuum that was created by the demise of the ideology that reigned during the Cold War period. The international community has become faced with danger. Unfortunately, in the cases of the tragedies in former Yugoslavia, the Caucasus, and Africa, it, for the moment, has turned out to be too weak to follow a decisive course of action. Proceeding from this, there has arisen a serious concern for peace in this new environment.

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"A country's policy is conditioned by its geopolitical location and, from this point of view, Turkey is situated in the center of an important region. It is interested in the peaceful development of its neighboring countries. In this context, Turkey is engaged in intensive work in the diplomatic sphere so that the new independent countries in Eurasia can become members of such transatlantic and European institutions as NATO and the CSCE and, thereby, establish ties with the West. A prime example of this is the founding of the Black Sea Economic Cooperation Organization (BISEC) on Turkey's initiative. In order to revive the historical Silk Road, Turkey has created new communication and transport links with those countries that are located on this trade route. In 1992, Turkey made Azerbaijan and the countries of Central Asia and Afghanistan members of BISEC along with Iran and Pakistan. At the same time, Turkey is not trying to create some kind of sphere of influence.

"Turkey views the Russian Federation as a partner along with whom it should work in Eurasia that is integrated with the world. In 1993, Turkey's volume of trade with Russia exceeded two million dollars while the total value of projects realized by our businessmen in that country amounted to six billion dollars.

"It is unfortunate that the current conflict between Azerbaijan and Armenia over Nagorno-Karabakh is having a negative influence on peace and stability in the region. It is absolutely unacceptable that Armenia is continuing to occupy more than 20 percent of Azerbaijan's territory. The situation, which the Armenian aggressors have created, is the reason for the never-ending human tragedy—1,200,000 Azeris have become refugees in their own land. Turkey is doing the maximum to relieve them of the suffering caused by this tragedy. We ask other countries also to do their duty in this direction. Otherwise, it will become impossible to establish security, peace, and democratic administrations in this region. The Armenians should unconditionally withdraw from the territories occupied by them in Azerbaijan, as formulated in the corresponding UN Security Council resolution.

"It is our hope that Georgia will overcome the problems with which it is faced, the key to which should be found with patience and consensus. Given the wisdom and experience of your leader and our friend Shevardnadze, this should not be difficult. Turkey will help Georgia in every way possible so that it can achieve that level of development that it deserves. The happiness of the Georgian nation means Turkey's happiness as well."

Uzbekistan Promises To Speed Gas Pipeline Repair

LD2611134094 Tbilisi CONTACT INFORMATION AGENCY in Russian 1130 GMT 26 Nov 94

[FBIS Translated Text] Tbilisi—Eduard Shevardnadze received a telegram from Tashkent yesterday, 25 November, saying that the Uzbek Government had attentively considered the Georgian head of state's appeal concerning the transit of natural gas from Turkmenistan. However, says the telegram, current repair work at the Central Asia-Center gas pipeline has revealed other complicated faults. The Uzbektransgaz amalgamation and the construction units of the Uzbekneftgaz corporation are doing everything to expedite the restoration work.

The telegram is signed by Uzbek Deputy Prime Minister Khakkulov.

Abkhaz Parliament Declares Statehood, Names Officials

LD2611171194 Moscow Radiostantsiya Ekho Moskvy in Russian 1600 GMT 26 Nov 94

[FBIS Translated Text] The Abkhazian Supreme Soviet today adopted the republic's Constitution. Abkhazia is proclaimed a sovereign state which is a subject of international law. Parliament Speaker Vladislav Ardzinba has been elected the first Abkhazian president and former Prime Minister Sokrat Jinjolia has become chairman of the Supreme Soviet. This was an INTERFAX report.

New Constitution Will Not Halt Talks

LD2711055894 Moscow ITAR-TASS World Service in Russian 1945 GMT 26 Nov 94

[By ITAR-TASS correspondent Irina Shchegoleva]

[FBIS Translated Text] Sochi, 26 Nov—The adoption of a new constitution in Abkhazia does not by any means signify that the talks process with Georgia will be broken, Natella Akaba, parliamentary deputy and Abkhazia's minister for press and information, told an ITAR-TASS correspondent following today's session of the Supreme Soviet of Abkhazia. At the session, the deputies of Abkhazia's parliament adopted a new constitution making Abkhazia a presidential republic. They also voted in their first president—Vladislav Ardzinba. Akaba said that Abkhazia intends to continue talks with Georgia on the problems of interstate relations.

"The previous constitution, adopted back in 1925, did not meet the needs of the times," the press and information minister went on. "It said nothing, for example, about human rights. A whole section is devoted to this in the new constitution. Much attention is given to ethnic relations and the development of the national cultures of all peoples living in our republic."

Akaba said that, with the new constitution, Abkhazia's state system resembles Russia's in many respects. "The president has more power than the chairman of the Supreme Soviet, which means that more decisive action can now be expected from him with respect to urgent social and economic tasks and with regard to improving the crime situation," the minister said.

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"In accordance with the new constitution, we elected our first president at the session, but we will definitely be holding a general referendum on confidence in the president and on the constitution," Beslan Bargandzhia, aide to the chairman of Abkhazia's Supreme Soviet, said, adding that "the new constitution should definitely get comprehensive support."

He said that this day has been declared a celebration day in Abkhazia and will from now on be marked as Constitution Day.

Shevardnadze on 'Independent State' Bid

LD2711193194 Moscow Russian Television Network in Russian 1800 GMT 27 Nov 94

[from the "Vesti" newscast]

[FBIS Translated Excerpt] Georgia's leader Eduard Shevardnadze has assessed the Abkhazian Supreme Soviet's declaration of the republic's sovereignty as an attempt by the separatists to set up an independent state. This is said in today's statement by the head of Georgia.

As we know, on 26 November the Abkhazian parliament adopted a constitution proclaiming Abkhazia as a sovereign republic and a subject of international law.

Shevardnadze's statement notes that Georgia will not conduct talks with the Abkhaz side as a representative of an independent state. [passage omitted]

Abkhazia Protests Sabotage; May Suspend Refugees' Return

LD2511180294 Moscow ITAR-TASS in English 1605 GMT 25 Nov 94

[By ITAR-TASS correspondent Irina Shchegoleva]

[FBIS Transcribed Text] Sochi November 25 TASS—Abkhazia will have to suspend the process of organized return of refugees, unless Georgian militant groups, which infiltrate Abkhazia from the Zugdidi district in Georgia, stop their acts of sabotage.

Enver Kapba, Abkhazian vice-premier, who is at the head of Abkhazian delegation involved in quadripartite talks on refugees and forced resettlers, told officers of the Abkhazian Ministry of Press and Information about it on Friday [25 November].

Some 35,000 Georgian refugees and forced resettlers were scheduled to return to the Gali district in Abkhazia before October 1 in accordance with a time-table considered at a meeting of the quadripartite commission on the return of the refugees in Sochi, on November 23-24, 1994, he said.

However, Abkhazia "has not signed the time-table, because it is impossible to return such multitude of people within the specified period," Kapba said.

According to him, Abkhazia does not have enough material resources to help these people get settled and restore their houses.

"The United Nations does not give us any concrete support whatsoever to enable us to host the refugees. That is why we decided not to shoulder commitments known to be impracticable," he pointed out.

To find an effective solution to the problem, one must solve the problem of interstate relations between Georgia and Abkhazia first, and tackle the problem of refugees' return only after that.

"Unless no political solution is worked out at the regular Georgian-Abkhazian meeting in Geneva, which is scheduled for December 2, it will become useless for our commission to go on working," the Abkhazian vice-premier emphasized.

Shevardnadze, Abkhazia's Ardzinba To Meet in Geneva

LD2511171594 Moscow INTERFAX in English 1453 GMT 25 Nov 94

[From the "Presidential Bulletin" feature, compiled by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text] On invitation from UN Secretary-General Butrus Butrus-Gnali, Chairman Vladislav Ardzinba of the Abkhazian parliament and Georgian leader Eduard Shevardnadze are to meet on December 2 in Geneva.

In response to a question from the Interfax news agency, Abkhazian Prime Minister Sokrat Jinjolia told newsmen in Sukhumi Thursday [24 November] that Georgian and Abkhazian experts are to meet in Moscow on December 14 to discuss the legal aspect of relations between their republics.

Addressing the return of refugees, Jinjolia said that "as long as there is no political accommodation, we cannot assign priority to the large-scale repatriation of Georgian refugees, the more so since it contradicts earlier agreements."

The Abkhazian Vice-Premier and the chairman of the Abkhazian committee on the affairs of the refugees Enver Kapba told Interfax that the quadripartite refugee commission which met on November 23 in Sochi rejected a draft repatriation schedule as "unacceptable." (Under the draft schedule, 35,000 refugees are to return to Abkhazia's Galski District by next October - IF note.)

Kapba sees the new schedule as unacceptable because, first of all, no decision has been made on the character of relations between Abkhazia and Georgia and, secondly, because "the economic situation in Abkhazia and the unavailability of foreign aid must be taken into consideration."

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According to Kapba, the quadripartite commission also focused on terrorist acts in the Galski District. Only the Abkhazian police force seems to be there to fight terrorism, Kopba said.

Ioselani Briefs Parliament on Geneva Talks

LD2611195094 Moscow Russian Television Network in Russian 1700 GMT 26 Nov 94

[FBIS Translated Text] Jaba Ioseliani has briefed the Georgian parliament on the results of the Georgian-Abkhaz talks in Geneva. In his view, the main thing at the present is to settle relations with Russia. Jaba Ioseliani said that at a time when we are facing the real danger of Abkhazia seceding, parliamentarians are busy settling accounts, harping on old errors, and hurling forth accusations. He said that the head of state shares his position on issues relating to settling the conflict in Abkhazia, but is at the same time taking the opposition into account. In his place, I wouldn't take the opposition into account, Ioseliani said.

The parliamentarians also voiced the opinion that there is no sense in talking in Geneva and spending money on that: Would it not be better to opt for direct negotiations with Russia and hold them in Moscow?

Shevardnadze Satisfied With IMF Donor Countries Talks

LD2511133094 Tbilisi CONTACT INFORMATION AGENCY in Russian 1130 GMT 25 Nov 94

[FBIS Translated Text] Tbilisi [no dateline as received]—Georgian President Eduard Shevardnadze yesterday received the Georgian delegation which had recently returned from Paris where it participated in the meeting of donor countries.

It was noted during the meeting that the IMF head Mr. Valavi had praised the reforms underway in Georgia. Against this background, the representatives of international organizations stressed the necessity for rendering further aid to Georgia. The issue of allocating $18 million to Georgia in order to eliminate the current power crisis in the republic was put forward at the meeting. In all, the donor countries will allocate $278 million to Georgia.

The delegation members stressed that in order to implement the decisions adopted at the meeting of donor countries, Georgia had to follow the recommendations given by the international organizations. It is expected that certain projects in the fields of power and engineering, telecommunications and health service will be worked out in future.

The head of state gave a high assessment to the work of the delegation and expressed his satisfaction over the results of the meeting.

Free Economic Zone in Ajaria To Be Created

LD2511181094 Moscow INTERFAX in English 1602 GMT 25 Nov 94

[FBIS Transcribed Text] Georgian leader Eduard Shevardnadze agreed to create a free economic zone on the territory of the Ajarian autonomous republic, a territory within Georgia, Chairman of the Ajarian parliament Aslan Abashidze declared in an interview with journalists on Friday [25 November].

In his words, appropriate documents will be prepared before the end of this year, an active flow of investments to Ajaria will start already next year. Abashidze said that the total sum of investments in 1995 will exceed $1 billion.

Experts in Tbilisi believe that the mechanism to announce Ajaria a free economic zone is not a difficult one. If the parliament declines this decision, it can be adopted by the head of state Eduard Shevardnadze.

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Estonia

Foreign Minister on Post-Cold War Peacekeeping

WS2511153094 Tallinn Ministry of Foreign Affairs Press Release in English 1413 GMT 25 Nov 94

["Lecture" by Foreign Minister Juri Luik at the John Hopkins School of Advance International Studies in Bologna, Italy on 25 November: "Keeping the Peace in a Post-Cold War World" or "The Use and Abuse of Peacekeeping"—received via Internet]

[FBIS Transcribed Text] Distinguished Guests, Ladies and Gentlemen,

Europe has seen enormous changes since the Cold War ended. Some people may date the end of the Cold War from 1989. That year, the Berlin Wall fell, and the resulting seismic disturbances toppled one Eastern European communist regime after another. We in Estonia regard the Cold War to have ended just three months ago, on 31 August, when the last Russian occupation troops left Estonian soil. But regardless of when, exactly, that war ended, the European political landscape has been altered forever. Instead of two opposing politico-military blocs, we have independent states from the Atlantic to Pacific, or, as some might put it, from Vancouver to Vladivostok. Or do we? Ladies and Gentlemen, I would like today to discuss an issue that has become a kind of foreign policy mantra not only for politicians, diplomats, journalists and students of international relations, but also for the man or woman on the street. I'm speaking here of peacekeeping. If the 1960s was the decade of Deterrence, if the 1970s was synonymous with North-South relations and if everybody talked about reform and revolution in Eastern Europe and the Soviet Union during the 1980s, then the hot topic of the 1990s is peacekeeping. In Estonia, we devote considerable attention to the theory and practice of peacekeeping, so I would like to share some of my thoughts on the topic with you today. In particular, I would posit that where the principles underlying peacekeeping have been compromised for the sake of efficiency, peacekeeping has been used to justify aggression. Furthermore, when such abuses become commonplace, we must begin to guard the precious idea of an undivided Europe.

The end of the cold war allows me to begin with an ending. When the Cold War ended, the international arena that plays host to peacekeeping operations was changed beyond recognition. The artificial stability forced upon Eastern Europe, the Baltic states and the Soviet Union was suddenly removed. In most cases, such as in my country, the removal of the chains found expression in political pluralism and economic entrepreneurship and gave way to new, positive social and cultural impulses. In other places, the results let loose age-old tensions, be they political, economic or ethnic. This did not happen only in Europe, but around the globe. The bipolar world was not just confined to this continent, but was, after all, a global phenomenon. The result was an increased need for peacekeeping. At the same time, the situations become more complex. Traditional peacekeeping turned into what we today call "expanded," or "complex peacekeeping." Peacekeeping operations evolved from strictly preventive military activities to more differentiated efforts. Today, peacekeeping can mean humanitarian operations, state-building efforts such as training of democratically-minded police forces and preparing for elections, the repatriation of refugees, and a host of other concerns unknown during earlier times. On the background of all this, the welcome breakdown of two broad and opposing blocks led to changes in organizational dynamics. During the Cold War, it was more difficult to get an international mandate for a potential peacekeeping mandate than it now is. One voted with one's bloc, and more often than not, the mandate was not given. Today, the constraints of interblocking have lessened and, as the need for peacekeepers rises, the chances of achieving a mandate are much greater. The United Nations is a case in point. In the forty years elapsed from 1948 to 1988, the United Nations deployed 13 peacekeeping operations. In the mere six years elapsed from 1988 to the present, 16 operations were started and some are still underway. This trend is accelerating. As it becomes organizationally easier to attain a mandate, the need for peacekeepers grows, and the complexity of operations increases. At the same time, we must remember that peacekeeping is a costly business, not only in terms of dollars, but also in terms of human life. Not many states are willing to put their men and women at arms in a dangerous situation to guard the peace of a faraway state, especially if the force is multinational and the soldiers will be led by a foreigner.

What about the principles? All of this suggests that now and in the future, states may be willing to compromise the principles of peacekeeping in order to save money, or win votes at home, or curry favor with a partner. Currently, the fundamentals of peacekeeping comprise an international mandate, consent of the involved parties, case-by-case involvement, impartiality and multinationalism, to name a few. While any and all of these fundamentals is subject to political wheeling and dealing, I see a particular risk in three aspects of the debate currently underway in the CSCE and the United Nations, among other organizations. First, there is growing support to grant some states a carte blanche for keeping the peace by themselves in their own backyard. This idea goes directly against the principles of case-by-case involvement, multinationalism and international mandate. Allowing one state to do as it pleases in a given area, just because that area is close at hand and others do not want to risk the danger, is tantamount to giving a green light to aggression. Moreover, such behaviour in fact may undermine the credibility of the international organizations tasked with peacekeeping. If the international community stands by and watches one state use so-called peacekeepers to secure territorial

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aims, as is the case with Russia's 14th Army in Moldova, and does not grant a mandate but also does not speak out against the action, then the international community in effect gives its tacit blessing unabashed aggression. It is no accident, to borrow Soviet phraseology, that some delegations currently meeting in Budapest preparing for the CSCE summit set to start there in two weeks have proposed using peacekeeping operations as a "deterrent," that is, to deter further escalation of armed conflict. Second, many of those same diplomats sitting at the CSCE Review Conference in Budapest are talking these days about the use of so-called "third party forces" in conflicts. This would occur where two warring factions cannot come to terms, and a third, neutral force is sent in to settle the dispute. In theory, the idea is benign, but in practice, neutrality is hard to define, especially with states that have an historical interest and role in certain regions. This idea came up, you will recall, during the debate over the role of French peacekeepers in Rwanda. From whichever angle we discuss the use of "third party forces," we must keep in mind the accompanying risk of aggression. In Estonia, we believe that adherence to principles is necessary. If we are considering the use of force, then the UN Security Council must approve such a move. If we are considering peacekeeping operations, then it must transpire under the principles I outlined above. If those conditions are met, then we are not concerned over whether those forces are labeled as third party or second-hand. A third area of discussion now is the blinding confusion of terms associated with peacekeeping. Specifically, the terms of peacekeeping and peace enforcement are too often being used almost interchangeably, with no regard the very basic differences between the two. The rules of engagement, however, are quite different. Whereas peacekeeping involves the deployment of military or police and sometimes civilian personnel to help implement agreements among parties that have already been engaged in conflict, peace enforcement does not necessarily have the support of all relevant parties. Instead, it is the threat of use of military force, in pursuit of peaceful objectives, in response to conflicts or other major security crises. And to cloud the issue even more, between peacekeeping and peace enforcement we have the idea of peacemaking. Peacemaking used to mean active diplomatic efforts while a peacekeeping operation was underway, but over the last year the term has inched closer to peace enforcement, with an increasing element of active military engagement. All of these terms have different triggering mechanisms which lead, in turn, to different policy conclusions. As the terms evolve, those triggering mechanisms evolve, too. Under the wrong circumstances, and if we are not careful, confusion in terminology could lead, for example, to confusion in fulfilling mandates. This was the case in Cambodia, where UN troops crossed the line from peacekeeping to peace enforcement in a practice that came to be known as "soldiering on regardless."

What to do? Given that peacekeeping seems to present booby traps at every turn, how should we proceed? I propose three guidelines, or rules of the game, if you will, for keeping the peace in a sober and effective manner. Firstly, any peacekeeping operation should have clear and attainable goals, among them political goals. These goals help to avoid a situation in which unrealistic ends lead to heightened expectations and, inevitably, to failure. Clear goals also help maintain the credibility of the international organization backing the operation. Furthermore, they also avoid a situation in which troops are maintained in a given region to achieve the political goals of the dominant state in that region. This is the case in Nagorno-Karabakh, for example, where Russian peacekeepers maintain a presence despite the lack of a clear goal and regardless of the recommendations of the CSCE steering committee for Nagorno- Karabakh, known as the Minsk Group. Finally, clear goals are vital for the military commander on the ground. Without a precisely defined mandate, the military commander is unable to translate political constructs into force requirements and plans, and is certainly unable to protect his or her troops.

Secondly, impartiality must be built into the mandate. The peacekeepers must both be impartial and be seen as being impartial. The idea of sending only Russian peacekeepers into conflictual areas known to Moscow as "The Near Abroad" is a case in point. If the Russian Federation views certain states in its backyard as being special, for one or another reason, then Russia by definition cannot be regarded as being impartial, and will not be seen as impartial by the recipient of the troops. Here we come back full circle to the idea that it is easier to attain mandates in the post-Cold War world. Because many operations nowadays involve humanitarian aspects, and because these are the most difficult and complex operations to conduct, any state willing to undertake the task has an easier time of getting international mandate. Peacekeeping as a means of providing humanitarian help is a practice that can easily become a veiled form of aggression. Thirdly, significant local support is vital for successful operations. Local support, however, is difficult to achieve when the peacekeepers are perceived as taking sides, or when only a portion of the local population supports their presence. Under these conditions, the peacekeepers will inevitably be identified as being party to the conflict, as having a vested interest in the outcome. This is a recipe for aggression, but authentic local support can help fix the broth.

The games (large) states play. If states maintain the guidelines set out above, all should go well. Increasingly, however, we see states, especially large states, playing games with peacekeeping. One such game is to develop various new mechanisms for achieving political goals. In other words, states seek to create conditions in which peacekeeping would seem necessary, to artificially heighten tensions that lead to conflict for the purposes of achieving a hidden agenda. By deliberately and artificially concocting an atmosphere of conflict in Georgia,

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Russia for instance has created a demand for peacekeepers, a demand other states are unwilling to fulfill.

These new mechanisms are often accompanied by lofty rhetoric and high-minded ideals, and have the feel of a kind of modern Manifest Destiny, the thought by which American settlers were encouraged to "go West" during the settlement drive in the 19th century. Hitler used lofty rhetoric to justify his protection of the Sudeten Germans when he invaded Czechoslovakia, and when the Warsaw Pact invaded the same country in 1968, the high-minded ideal was to protect the Pact's fraternal comrades against bourgeoisie elements. Another game for large states is that of bargaining, of dealing peacekeeping rights for one state in one area against rights in another. Some observers have suggested that bargaining was in play between Russia and France when the peacekeeping mandates were being designed for Georgia and Rwanda, respectively, or that Russia and the United States bargained for an exchange of peacekeeping rights in Georgia and Haiti. In some of these cases, the principles of peacekeeping were held to, while in others they were not. But the fact remains that peacekeeping has been used as bargaining chip in the game of international diplomacy. This leads to a rather unsavory conclusion vis-a-vis European security. For all the reasons I listed above, the principles of peacekeeping can and are being compromised in order to allow some states to attain political goals under another name. Peacekeeping must not be allowed to become a mask for aggression, to become a means to restore or gain influence in nearby areas. If this happens, then it can happen right here and right now, in Europe, and lead to another new division.

I hasten to add that this scenario is but a conceptual argument that remains hypothetical at the moment. Even though the argument I have elaborated may, at first blush, seem pessimistic, it is actually an argument of cautious optimism. My views about peacekeeping are predicated first and foremost upon the assumption that common values are the defining characteristic of today's Europe.

At the beginning of this talk I mentioned that we in Estonia spend a lot of time thinking about peacekeeping. But we do not only think about peacekeeping, we are moving toward the day when we can practice it as well. Under NATO's Partnership for Peace aegis, and along with our Latvian and Lithuanian neighbours, we have formed a joint Baltic Peacekeeping Battalion. This battalion, which we affectionately refer to as BALTBAT, has captured the imaginations of alliance planners. As BALTBAT develops, we expect to be ready to participate in NATO-sponsored peacekeeping operations in the nearest future. While BALTBAT trains, however, we continue our work at the politico-diplomatic level. We have made a strong effort to participate in the international peacekeeping debate, but not only because we are sincere in our conviction that peacekeeping should be principled. We have also taken a forward position because we understand that in today's world, peacekeeping capability is central to being a player in the international arena. We want to be a part of the debate, to help shape thinking about peacekeeping and to introduce modern rules of engagement into the discussion. This obviously helps us maintain the dubious but high profile we achieved during the process of negotiating the withdrawal of Russian troops from our territory. But our interest in peacekeeping and our efforts toward troop withdrawals are linked. We strongly support principled peacekeeping as a way of avoiding a situation in which we might, someday, be compelled to negotiate yet another troop withdrawal. In other words, peacekeeping goes hand-in-hand with our security, because we wish to avoid fraudulent peacekeeping on our own territory. We believe that name of the peacekeeping game should be to keep the peace, rather than to keep all the pieces. Thank you.

Russian Embassy Requests Extradition of Hijackers

LD2511181394 Tallinn Radio Tallinn Network in Estonian 1700 GMT 25 Nov 94

[FBIS Translated Excerpt] The Russian Embassy sent a note to the Estonian Foreign Ministry today requesting that the three terrorists who were arrested in Tallinn after hijacking a Syktyvkar-St. Petersburg-Minsk aircraft on 24 November and forcing it to fly to Tallinn, should be extradited to the Russian authorities. This was stated to ETA by Toivo Klaar, head of the Estonian Foreign Ministry's policy department.

Relevant Estonian departments, first and foremost the interior and justice ministries, will now have to decide on proceeding with their extradition or with criminal proceedings in Estonia, Klaar said. Investigation materials concerning the men suspected of the hijacking have been handed to the Central Investigation Office. According to Priit Mannik, the Central Investigation Office deputy director, Tallinn Administrative Court gave its approval today for the suspects to be kept in custody until 9 December. [passage omitted]

Hijacker Seeks Political Asylum

WS2811104494 Tallinn BNS in English 1318 GMT 26 Nov 94

[FBIS Transcribed Text] Tallinn, Nov 26, BNS—The man who hijacked a Russian Tu-134 passenger jet to Tallinn on Thursday [24 November] and gave himself in to the Estonian authorities after hours of tension said he was seeking political asylum in Estonia.

Vladimir Boshko, 36, told the RAHVA HAAL newspaper from a police prison he was going to kill himself if Estonia handed him over to Russia. He has also refused to meet Russian Embassy officials in Tallinn.

The Russian Embassy on Friday demanded extradition of Boshko from Estonia. The Estonian governmental crisis commission has said its members unanimously are in favor of handing the hijacker over to Russia.

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Boshko remained in a police prison in Tallinn on Saturday. Estonia also detained two other men from the plane on suspicions that they were cooperating with the hijacker. One of the men was released after questioning by police on Thursday, but the other was still under arrest on Saturday.

Boshko told RAHVA HAAL he had acted alone. "I don't know the two other men who were detained," he said.

He said he had hijacked the plane because of continuing violations of his civic and human rights in Vorkuta, the northern Russian mining town where he lived. Boshko claimed a coalmining company in his home town had wanted the land under his house. "After I refused to sell my house, the Vorkuta municipal authorities started to destroy my house. In December last year they burned my house down," he said.

The hijacker said he had complained to the Russian central authorities, including President Boris Yeltsin and the parliament's human rights commission. He had also sought political asylum in other countries by sending letters to the embassies.

Boshko told the newspaper he had no bomb with him on the plane. He said he was carrying two 10-gram bottles filled with gasoline. "I didn't want to kill people. I was ready to set myself on fire," the terrorist said.

Latvia

Lithuanian, Lativan Premiers Discusses Economic Zone

LD2511170094 Riga Radio Riga Network in Latvian 1400 GMT 25 Nov 94

[FBIS Translated Text] A meeting was held in Riga today between Latvian Prime Minister Maris Gailis and Lithuanian Prime Minister Adolfas Slezevicius, who is in Riga on a brief working visit, and a compromise was reached on the issue of the two countries' economic zones in the Baltic Sea. The resolution adopted by the Latvian and Lithuanian prime ministers will be coordinated with the two countries' parliamentary factions and political organizations, and the outline of the borders will be specified later. Assessing the agreement reached today, the Lithuanian prime minister said it is beneficial to both countries.

Parties Ready To Sign Declaration on Reconciliation

WS2811092294 Riga DIENA in Latvian 15 Nov 94 p 8

[Report by Nellija Locmele: "The Declaration on Reconciliation Can Be Signed in December"]

[FBIS Translated Text] Riga, 14 Nov—The Forum of Political Parties agreed today to accept a declaration on social and national reconciliation. The text prepared by a working group was passed to the various Latvian political parties for discussion and could be signed at the beginning of December. After that, a broad-ranging discussion will apparently begin, to which the Forum will invite leaders of the country, representatives of other parties, and social and professional organizations.

The Party of Concord for People [TSP] was ready to sign the declaration today, and representatives of the Democratic Party were authorized to do so. Representatives of the Latvian Social Democratic Workers Party, Political Association of Economists, and Latvia's Way, however, approved the text of the declaration, but thought that it should first be discussed by all their party members.

As DIENA has already reported, the idea of the declaration is to draw a thick line between the dramatic past, for the sake of the future. Economic stability and accord within society represent the cornerstone of the security of independent Latvia. State policy cannot consist of any kind of discrimination linked with nationality, religion, or political views. All actions and decisions of state institutions must be based on law. No one, except the courts, can limit the rights of an individual on account of his past.

"The declaration includes such principles, under which any normal man would place his signature. In addition, the stipulations on the part of the National Bloc, if any, might be of rather an editorial nature," stated Vladlen Dozorcevs, representative of the TSP, in his conversation with reporters.

Jan-Oct State Budget Deficit Totals 26.9 Million Lats

WS2511152394 Tallinn BNS in English 1300 GMT 25 Nov 94

[FBIS Transcribed Text] Riga, Nov 25, BNS—The Latvian state budget deficit in the first 10 months of this year was 26.9 million lats, Finance Ministry Deputy State Secretary Inguna Sudraba told reporters Friday [25 November].

In the period, the budget earned 449.6 million lats and spent 476.5 million lats, while the amount of treasury working capital increased 6.5 million lats.

The budget deficit is covered with 24.1 million lats in interior loan bills, 8.7 million lats in Bank of Latvia credits and 0.5 million lats in repayment of a government loan to the Agriculture Ministry.

Lithuania

Slezevicius on U.S. Backing for Stance on Military Transit

LD2611181694 Moscow INTERFAX in English 1651 GMT 26 Nov 94

[FBIS Transcribed Text] The United States unconditionally supports Lithuania's position: Russia should fulfill demands established by Vilnius during military transit

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to the Kaliningrad Region through the Lithuanian territory. Lithuania's Prime Minister Adolfas Slezevicius attracted attention of Lithuanian TV viewers to this fact speaking over the national television on his return from the United States.

The issue on military transit has become more difficult over the last period of time. The Lithuanian party is interested in conclusion of an agreement which would stipulate that Russia takes the obligation to observe rules of transportation of dangerous and military cargo established by the Lithuanian government. The Russian party strives to introduce a simplified procedure of transit given the regularity and volume of transit. Due to different approaches to this issue the meeting between Lithuania's and Russia's experts held on November 17 was fruitless.

Slezevicius, who met with US State Secretary Warren Christopher and other American politicians, also said that "designers and executors of the American foreign policy declare that it is unacceptable that Russia uses a clearly discriminating regime of trade in its relations with Lithuania."

An agreement on the most favored nation regime in trade concluded a year ago did not go into effect that's why Lithuanian goods are subjected to dual taxation.

Slezevicius reported that during his visit to the United States he met with leaders of the International Monetary Fund and World Bank who reassured him of their intention to render financial aid to the reforms being implemented in Lithuania.

A month ago Lithuania concluded an agreement on cooperation with the International Monetary Fund for three years, in the frameworks of this agreement Lithuania will receive a credit amounting to $200 million.

Slezevicius said that during this visit the parties also discussed possibility to procure 2-4 Boeing passenger planes.

Polish Prime Minister Pawlak Arrives

LD2611122994 Vilnius Radio Vilnius Network in Lithuanian 1200 GMT 26 Nov 94

[FBIS Translated Excerpt] Polish Prime Minister Waldemar Pawlak arrived in Lithuania today. [passage omitted] After handshakes in the neutral zone at the Kalvarija border post, the Polish and Lithuanian premiers and their entourage inspected the border and customs complex, and then left for Marijampole where a meeting of the Lithuanian and Polish delegations will be held. After the meeting the premiers will exchange ratification documents of the Lithuanian-Polish treaty on friendly relations and good-neighborly cooperation.

Russia Expected To Sell Oil Despite Energy Crisis

WS2811104594 Tallinn BNS in English 1604 GMT 25 Nov 94

[FBIS Transcribed Text] Vilnius, Nov 25, BNS—Lithuania's Mazeikiai oil refinery is optimistic about possibilities to purchase oil from Russia despite an energy crisis developing in that country.

Gediminas Kiesus, the refinery's assistant director general, said around 100,000 to 150,000 tons of oil are expected to reach Mazeikiai next week.

The refinery was shut down Nov. 17 through lack of oil and to repair equipment damaged by a fire earlier this month. The stoppage costs the refinery around 250,000 U.S. dollars a day.

Last week, Mazeikiai signed new contract with the Russian oil company Lucoil, which pledged to sell 250,000 tons of oil each month at a price of 100 U.S. dollars per ton. Kiesus told BNS the refinery is now actively looking for loans to buy the oil.

Meanwhile, gasoline and other fuel shortage has lately become a serious problem in Russia, where a number of oil refineries have been shut down.

Asked if there is a chance that Russia will refuse to sell any oil to Lithuania, Kiesus said such things cannot be forecasted. In his view, there should be no problems if there will be money, but added that Russia always lacks oil for export. Kiesus said Russia may also refuse to sell oil because of political reasons.

Reliable sources said the Lithuanian Government is hastily preparing a decision to build a temporary oil import terminal in the seaport of Klaipeda.

Baltic Collective Security Conference Opens in Vilnius

WS2511092594 Vilnius ELTA in English 1836 GMT 24 Nov 94

[From "News Bulletin" No. 637]

[FBIS Transcribed Text] Vilnius, November 24, ELTA—Unstable situation in one of the European countries could obviously have negative effect on the integration of the continent, Seimas [parliament] Chairman Ceslovas Jursenas on Thursday [24 November] said during the opening ceremony of the conference Collective Security at the Baltic Sea Region.

According to Jursenas, "the Baltic countries have chosen their way and have been following it, but good relations with neighbours as well as sharing their experience will make this way easier".

He also reminded that Lithuania had already signed agreements with Poland and Russia and were solving border demarcation questions with Kaliningrad region.

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The conference focused on possibilities to create collective security in the Baltic region, Lithuania's priorities in security and defence policy, the Baltic countries and Russia.

Kaliningrad as a cooperation partner in the region and the role of society in creating collective security are the themes of the conference which will last for two more days.

Lithuanian, NATO PFP Program Endorsed

LD2311174894 Vilnius Radio Vilnius Network in Lithuanian 1500 GMT 23 Nov 94

[FBIS Translated Text] The government has endorsed the Lithuanian and NATO individual Partnership for Peace [PFP] program. According to a decree dated 18 November, it has been officially decided to inform the NATO leadership about this decision.

At the beginning of June the Lithuanian Cabinet of Ministers endorsed the Lithuanian document of the Partnership for Peace program and instructed a working group to draw up a Lithuanian and NATO individual program. This program has been drawn up and approved by the Ministry of Foreign Affairs and the Ministry of National Defense.

Draft Border Pact With Belarus Approved

WS2511152194 Tallinn BNS in English 1300 GMT 25 Nov 94

[FBIS Transcribed Text] Vilnius, Nov 25, BNS—Negotiators approved a draft border treaty between Lithuania and Belarus and border descriptions at a round of talks in Minsk Thursday [24 November], the Lithuanian Foreign Ministry's press service reported.

Negotiation teams also discussed the preparation of technical documentation and coordinated working maps, it said.

State commissions in Minsk were headed by Lithuanian Deputy Foreign Minister Rimantas Sidlauskas and his Belarusian counterpart Stanislaw Ahurtsow.

The next round of border talks will be held in Vilnius Dec. 13 and 14.

President Brazauskas Visits Ignalina AES

LD2511180594 Moscow ITAR-TASS in English 1619 GMT 25 Nov 94

[By ITAR-TASS correspondent Vladas Burbulis]

[FBIS Transcribed Text] Vilnius November 25 TASS—Lithuanian President Algirdas Brazauskas visited the Ignalina nuclear power plant today for the first time in his office. Observers think that the trip was made in connection with the recent incident when an unidentified person threatened to blast the plant. The incident inflicted a ten million U.S. dollar damage on the Lithuanian state.

The president inquired about the plant's security system and recent measures to enhance its safety.

Plant director Viktor Shevaldin told Brazauskas that the plant produced 5.7 billion kilowatt/hours of electricity in 1994 which is three times less than in 1991. The republic has decreased its electricity exports by ten times.

In the words of Shevaldin, only one nuclear reactor is now operational. The other has been prepared for operation. At the same time, the plant will soon have to buy 240 fuel assemblies worth of 22 million U.S. dollars from Russia, while the plant and the Lithuanian state do not have so much money.

The president promised to help settle the problem, and thanked the 5,000-strong plant collective, 80 per cent of whom are Russian specialists, for their work during the recent incident.

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